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To Maintain One-Stop Service, Agent Has To Have A Market For Auto

By KENNETH O. FORCE

(The following discussion is from a talk delivered at Eastern Agents Conference in Atlantic City.)

One of the few distinctions of the local, independent agent which is not duplicated to some extent or completely by other kinds of agents is that he can offer one-stop service for the insurance needs of a person or business—in the fire and casualty field. Is this to be taken away from him or seriously reduced? With the auto market tightened, companies cutting back, volume commissions being reduced, agencies being forced to let good auto risks go—can he long continue to offer one-stop service? Can he get new companies in order to maintain his market for automobile business? Who wants new automobile business?

This loss of market actually is the

worst thing that can happen to the agent today. But I doubt if it is so bad, as some agents have suggested, as to point toward the end of the agency system.

Agents who pride themselves on their independence should have more courage and ingenuity. If they haven't got a company that does well (usually) on automobile, they ought to get one, or two, or three. There are even a few today that are not doing too badly and that are using their automobile facilities to expand their agency plants. After all, if agents don't have the option of selling or not selling automobile insurance, many companies, and certainly the larger ones, have no choice either. They cannot get out of a line that produces around half of all fire and casualty premiums.

All this indicates is that today it is more important than ever that the agent has a company and companies on

which he can rely and companies that he can merchandise with confidence to his clientele without fear that the company itself, because it doesn't do well in a line, will have to cut back, cut loose, and cut off.

There are two or three observations about commissions which I should like to make. And believe me, even though it is not my money I am discussing, I do so with caution and respect. For it is always dangerous to talk about a man's bread and butter. It is even dangerous to talk about his cake.

Because to do so puts you in the position of judging his worth. A man is worth as much as he can get, honestly, though some put more work, skill and art into it than others; and under some circumstances the same amount of effort will produce more money than others.

First of all, to what extent have

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At NAIA Rally: Agent Says Cut Auto Commissions

Midwest Territorial Conference Has Usual Full Card, Big Crowd

By J. C. O'CONNOR

DES MOINES—Midwest Territorial Conference of National Assn. of Insurance Agents opened its 10th annual meeting here with a crowded attendance at all sessions and with enthusiasm undiminished. This has consistently been the best attended and the most enthusiastic of the five territorial meetings and there is obviously no indication that the picture will change.

It was taken for granted that the commission picture would receive plenty of attention, but most observers were not prepared to hear an agent publicly advocate reduced automobile commissions. This happened at the Monday afternoon session when A. A. Hirman, Rochester, Minn., speaking on "An Agent's Program for Sales and Service," advocated this as one of his five points for the preservation of the agency system in the face of serious competition.

Purposely or not, Mr. Hirman's presentation was all the more effective because he opened his talk with what might well be termed a routine discussion of agency service and operation—advocating modernized office systems, mechanization whenever and wherever financially economical, good claims service, sales staff meetings, education of producers, etc.

The audience had settled down to approve what it assumed was a sound, but uninspired and unoriginal, recitation of agency virtues when Mr. Hirman loosed a real bombshell which will undoubtedly provoke comment at

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Package Dwelling Policies Get The Green Light In Ark.

LITTLE ROCK—Commissioner Combs has approved the independent filing of homeowners policies A, B, and C by North America with the stipulation, however, that the company report to the Arkansas department separate statistics for fire and extended coverage perils under these policies for premiums, expenses and losses, so "that the commissioner will be able to continue the regulation of insurance rates in the manner prescribed by law."

In explaining this proviso in his order approving North America's filing, Mr. Combs said: "The report of the blanks committee of National Assn. of Insurance Commissioners, which was approved May 30, 1956, virtually sets up the formula in the annual statement filed by all companies which, when properly filled out, will give the direct fire business in Arkansas. It is the rate used on these policies that must be regulated according to law in determining the fire underwriting profit."

The commissioner's action followed a formal hearing Feb. 6, in which North America presented its case for its HO policies, appealing from a previous ruling of the department in June, 1957, disapproving the company's proposed filing on the issue of the indivisible premium which, it was held, did not meet legal requirements.

In the present order, Mr. Combs stated that "I believe the time is here when a single or package policy covering all of the insured's needs is attractive to him, especially if he can save

Late News Bulletins ...

In Charge Of West Coast For Md. Casualty

T. W. Michels, resident vice-president in charge of Maryland Casualty's Pacific coast office, has been elected a vice-president and will have charge of all operations in the territories covered by the San Francisco, Los Angeles, Portland and Phoenix offices. He started with Maryland Casualty in 1925 as a special agent at San Francisco and became resident manager at Los Angeles nine years later. He became resident vice-president at Los Angeles in 1946 and resident vice-president in charge of Pacific coast offices in 1953, with headquarters at Los Angeles, and in charge of the Portland, San Francisco, and Los Angeles offices. Since 1955, his headquarters have been in San Francisco.

Dorris Elected President Of Hanover

Directors of Hanover and Fulton have elected James L. Dorris president, following the death of President F. Elmer Sammons.

Mr. Dorris has been with Hanover in various capacities since 1947 when he joined the organization as state agent in Tennessee. Since then he has been successively secretary, vice-president and director.

25%. Since 44 other states and the District of Columbia have approved these policies, I feel that it should be made available to the people of Arkansas who wish to purchase same."

The order does not become effective until on and after June 15, "in order to give all companies and agents time to get ready for the introduction of these and similar policies which may be approved within the next sixty days."

The approval means the first introduction of package dwelling policies in Arkansas, the homeowner policies having been previously non-approved on the indivisible premium issue when filed by North America and Arkansas Inspection & Rating Bureau. The department approved the comprehensive dwelling policy for the bureau in April, of 1957 since its premium was on a divisible basis. But the filing was withdrawn shortly thereafter.



Archie Slawsky, Nashua, N. H., National Assn. of Insurance Agents vice-president, administering the oath of office to new officers of Eastern Agents Conference at the Atlantic City convention. From left to right are William A. D'Espard, Washington, treasurer; Valmore H. Forcier, Danielson, Conn., 1st vice-chairman; Charles H. Frankenbach, Westfield, N. J., chairman; Frank J. Lowrey, Pawtucket, secretary; Mr. Slawsky, and Arthur B. Fair, Natick, Mass., retiring chairman.

Life-Fire Affiliation Significant; Debate All Lines Sales By Agents

The acquisition or development of life affiliates by fire and casualty companies has been one of the significant evolutions of the business in recent times, especially since it is still a possibility that the way will one day be cleared for the acquisition or development of fire and casualty affiliates by life companies.

In the accompanying article, Howard J. BurrIDGE, president of the National Underwriter Co., tells why fire and casualty companies have shown a growing interest in having life affiliates.

Partly as a result of this trend, and partly for other reasons, local agents and life agents have been discussing the practical aspects of full line merchandising, life, fire, and casualty, and more local agents are getting into life production.

At the midyear meeting in Birmingham of National Assn. of Life Underwriters, four agents—life and local—debated whether they should sell all lines. Harry K. Gutmann of Mutual of New York, New York City, acted as moderator. Robert B. Mitchell, executive editor of the life edition of The National Underwriter, reports that debate.

By H. J. BURRIDGE

No one should underestimate the significance of the continuing purchase or organization of life insurance company affiliates by fire and casualty companies. It has been progressing steadily during the last three years, which incidentally have been the most disastrous in modern history for the property insurance companies. As the tendency on the part of fire and casualty companies to organize or buy life company running mates continues, and it now seems certain that it will, the effect upon the marketing and merchandising of life insurance will be important and far reaching.

Within the last year Colonial Life was purchased by Federal; Peoples of Indiana by Home, and Western of Montana by St. Paul F&M. Within the last three years these fire or casualty companies have organized life insurance running mates; American Surety (American Life); Allstate (Allstate Life); American States (American States Life); Commercial Standard (Commercial Standard Life); General of Seattle (General Life); North America (Life of North America); Security (Security-Connecticut Life); American Casualty (Valley Forge Life).

Hartford Maintains Life Charter

Of equal significance is the fact that Hartford Fire has kept alive the charter of Hartford Life, although it has no immediate intention of activating the life company. An important exception to the general trend was expressed recently by J. Victor Herd, president America Fore Loyalty group when he stated that his group has no intention of entering the life field. It will be seen that property insurance companies are more inclined to organize their life company running mates than they are to purchase an existing life company. This is undoubtedly due to the high prices that are being asked for life company stocks.

Actually, it is rather late in the day for an increasing number of property companies to decide to become truly multiple line by including the personal coverages (life and A&S) in the agency package being offered to local agents. Long ago Aetna Life and Travelers

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By ROBERT B. MITCHELL

Here is an abridged version of the reasons why H. Cochran Fisher, Aetna Life, Washington, D. C., thinks a life man should handle all lines, even though he makes life insurance his specialty:

When I went into the insurance business I selected life insurance as my specialty. But I needed money quickly. I found it by selling casualty insurance. To my professional satisfaction and financial profit the two have lived together in harmony in my office since then, and what I thought would be quick money only, has become recurrent money through renewals.

I am not a casualty specialist even now. I do not need to be. The supervising offices and the home office have always had specialists to help me. I call upon them freely. They respond enthusiastically. With their help I

have sold casualty insurance which in many instances has been the means whereby I have sold life insurance later.

To illustrate: I tried to sell a substantial mortgage insurance policy to a man who had just bought a fine home. He turned me down cold. I talked about liability exposure. He was interested. Later, with the help of an assistant manager and a special agent, I sold him a combination residence policy with a premium of \$600. Thus enabled to become friendly with him, I sold him \$100,000 of life insurance, which is still in effect.

Suppose I had not been equipped to handle adequately the sale of the combination residence policy?

None of my clients consults six lawyers for legal advice. How can I let them consult six insurance advisers? I must be able to handle all lines of insurance to keep my clients satisfied and my competitors away. Moreover, I am in closer touch with my clients because I must see them more often; there are opportunities for creative sales work in life insurance.

My casualty commissions have been very helpful in carrying me over dry spots in my life production and keeping me in a better frame of mind to proceed with my normal life insurance production. I am in favor of every life salesman having casualty accounts.

The foregoing is a statement I prepared in 1943. I have no reason presently to change any attitude I took at that time. Multiple-line selling performs a distinct service to the client and enables the agent to realize the

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Bureau Makes 2nd Request For More Auto Rate In Ark.

LITTLE ROCK—In a formal hearing before Commissioner Combs here last week, National Bureau of Casualty Underwriters made its second request for a 26% over-all increase in automobile liability rates. Representing the bureau were R. L. Jewell, manager southwestern branch office, Dallas, and Edward L. Wright, Little Rock attorney.

Contend Increases Too Small

Mr. Wright contended the increases granted by the department in April, 1957, were not enough. Previously, the department denied the current application for a 26% increase on the ground that the increases of last year had not yet been reflected in experience statistics. Mr. Wright said increased medical and hospital costs, higher jury verdicts, costlier cars, and greater traffic density all contributed to poor experience, making further rate increases necessary.

Department officials during their cross examination were interested in learning whether any other states in Zone 5 of National Assn. of Insurance

Commissioners had approved these increases which are being generally requested by the casualty people countrywide. They questioned the validity of raising the discount, under this filing, on farm cars from the present 20% to 30% in view of present loss trends and wanted to know whether this adjustment was based on Arkansas figures or solely on nationwide statistics. The department staff also made the point that the 26% increase requested would actually result in a higher percentage increase since the rate adjustment was figured on the statistics of basic limits whereas many insured now carry higher limits.

The hearing was well attended. No decision is expected for several weeks.

Deny Mich. Hospitals 1st Liens On Accident Cases

The Michigan senate's judiciary committee killed off a bill which would have given hospitals first liens on judgments or insurance settlements in favor of patients involved in accidents. The committee conducted a hearing at which insurance spokesmen contended it would be unfair to provide preferential treatment for hospitals, many of which are tax-supported institutions, as against the claims of taxpayers who had rendered as important services to the patient.

EUA Breakfast With Agency Leaders Is Success In PR Area

ATLANTIC CITY—One of the pleasant features of Eastern Agents Conference is the breakfast sponsored during the annual meeting by Eastern Underwriters Assn. for state association officers and the press. At the meeting here, F. W. Doremus, manager of EAU, was host, flanked by George C. Peacock, vice-president of Agricultural and head of the public relations department of EUA, and E. Stuart Windsor of Baltimore, chairman of the conference committee of EAC.

Mr. Peacock pointed out that field club members are on tap to help agents. There are 169 local boards in the eastern territory, which represents a lot of local public relations. He discussed the EUA course on effective salesmanship being conducted at the local board level by field men.

Have Completed Course

Frank J. Lowrey of Pawtucket said all the Rhode Island boards have completed the course, and the idea has been more successful than anything the state association has ever done. He suggested broadening the course, making it an advanced one.

Frederick J. England of Cambridge said it is very important to quit worrying about what other kinds of agents are doing and do a good job especially in selling the independent agency business to talented young men. Opportunities here are greater than in many fields, yet there is not much competing by agents for young men.

Huntington T. Block of Washington, D. C., said he is disturbed by the lack of young men coming into the agency business. College placement officers in and around Washington are cooperating with the D. C. association, and members of that group are outlining the opportunities in the agency field.

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Gurash Analyzes Auto Problems

President John T. Gurash of Meritplan, speaking at the March meeting of Pacific chapter of CPCU on "Automobile Insurance and Trends in the Markets with Resultant Effects on the Agency System," said the present position of the typical agent "appears to be a bit precarious" owing to the rapid growth of the three big direct writers in 1957. These three insurers increased their premium writings by \$85 million, which probably represents a shift of one million policyholders from the traditional agency companies, Mr. Gurash observed. "This increase took place in all 48 states, and it is apparent that merely the amount of increase which these direct writers enjoyed exceeds probably the total amount of automobile insurance written by most of the largest stock agency insurance insurers."

The reasons for the shift, he declared, are: Price is basic, and the major consideration of the mass buying public; the market has expanded due to financial responsibility acts, etc. and this expansion has been in the middle and lower income brackets which

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Look for this advertisement in The SATURDAY EVENING POST of April 19th. It is another in Great American Group's 1958 series stressing the importance of insurance to value.



The cost of this nail has increased by 86.9% in the last ten years.

This is typical of what has happened to building costs in general, and emphasizes the need to bring your insurance into line with *today's* values.

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Midwest Conference Of NAIA Names Moran Chairman

Snedicker, Carter On Agenda Mark Departure In Territorial Speakers

By J. C. O'CONNOR

DES MOINES—With an encouraging registration of 675, Midwest Territorial Conference of National Assn. of Insurance Agents held its 10th annual meeting here Monday and Tuesday. B. W. Hopkins, Des Moines, sparked a program which met with everyone's approval, and he and his fellow Iowans drew applause for the quality of the program and the way it was staged.

H. T. Moran, Oklahoma City, succeeded Mr. Hopkins as chairman and J. W. Hemphill, Painesville, O., moved up a notch to 1st vice-chairman. D. W. Perin of Chicago is the new 2nd vice-chairman. G. A. Timm, Kenosha, was reelected secretary. Next year's meeting will be in Oklahoma City, with Cincinnati in 1960 and Chicago in 1961.

The program followed the established midwest pattern, with morning and afternoon sessions Monday and Tuesday, ending with the dinner Tuesday evening. As usual, there was much interest in the report of the conference committee on rate and form developments Tuesday morning.

This year's session was somewhat

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Officers Tell Cal. Agents Background Of Anti-Trust Threat

Directors of California Assn. of Insurance Agents at their meeting in Long Beach before a sizable representation of the membership discussed the threatened anti-trust suit against the insurance companies, telling the members they will go to court over commission reductions if given no other alternative.

Member agents were told that the association has followed a slow and deliberate course in the last few months in the matter of commissions, believing that an intra-industry court battle would be a tragedy, but attorneys for the association are convinced that the companies have taken an illegal action and are determined to "restore free negotiation to the relationship between agents and their companies."

President Roger Chickering, Oakland, said the position of the association is "simple." A foremost anti-trust attorney has advised the agents that many companies are in violation of anti-trust laws. "We have done everything possible to avoid suit. Given only the alternative of the courts or loss of economic freedom, however, we will choose the courts regardless of how distasteful the action may be to us."

Edward J. Peters, Indianapolis, formerly with Haight, Davis & Haight, consulting actuaries, has formed his own firm in that city to act as an insurance company management consultant.

Gerber Says Casualty Adjusters Need Broad Outlook On Insurance

Chicago casualty adjusters were given a good, strong whiff recently of which way the wind blows relative to the feeling of the Illinois insurance department on the matter of claims by Director Joseph S. Gerber. In a spirited address to Casualty Adjusters Assn. of Chicago at that group's March meeting, he also pointed out the key position the adjusters hold for creating good will among claimants while efficiently protecting their companies' interests and urged them to get a little better idea of what is taking place in the industry other than just in their own particular bailiwick, this also including the independent adjusters as a group.

Reports 200 Claims Per Week

In discussing the department's power over payment of private contract claims, Mr. Gerber, as a side note, called on Assistant Director F. Vernon Rosenthal Jr., who was present, to report on how many of such claims reached the department. More than 200 per week were received in Chicago in 1957, Mr. Rosenthal said.

"Pressure of public opinion versus procedural barriers of judicial litigation and the possible development in the future of a new set of tribunals to oust courts of all or part of their traditional jurisdiction over settlement of insurance claims" was pointed out by Mr. Gerber as not being outside the realm of possibility, "since more and more today the public is looking to regulatory bodies to help them solve their problems."

It has happened in the workmen's

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K.C. F.&M. Develops Premium Budget Plan

Kansas City F.&M. has filed in a number of states a plan for installment payment of premiums which in general follows the annual installment premium plan but allows insured to pay on a monthly basis. The plan is similar to that used by life companies and is designed to help agents sell larger premium policies and get insurance to value.

The calculation on either a one, three or five year policy is 20% down and the balance in level payments. When 20% of the annual premium is collected, 7.7% of the annual premium is payable monthly thereafter to expiration except in states having a 90% annual installment factor, in which the monthly payments are 7.8%.

Kansas City F.&M. is offering its plan for preferred fire, inland marine and automobile coverages, including homeowners, CDP, etc.

The method of collections is left to the discretion of the agent. It can be made in the normal manner and reported on the account current, or Kansas City F.&M. can supply coupon books to be used by the insured similar to those used by many life companies. If this is done, the insured remits direct to the agent, but if the agent wants to relieve himself of collection procedures, he can have the insured remit directly to the company through the use of the coupon book or permit the company to draw on insured's bank account on a form it can furnish.

N. Y. Study Shows Impressive Coverage For Medical Care

But Problem For Older Person Largely Remains Unsolved, Report States

The New York insurance department has completed a year-long study of the problem of providing adequate medical care insurance to older persons. The report, entitled "Voluntary Health Insurance and the Senior Citizen," makes available for the first time comprehensive morbidity tables on hospital expense, surgical expense and in-hospital doctor visits coverage. The department believes that underwriters, seeking to devise new programs for the extension of medical care on a sound actuarial basis, will find these tables of value.

The department's investigation indicated that about 80% of the state's residents had hospital expense insurance in 1956; close to 70% were covered for surgical benefits; about one-half had some form of medical expense insurance covering doctor visits, and a little more than 10% were insured under the new major medical expense type of policy, which provides reimbursement for a comprehensive range of medical care service.

Old People Uninsured

However, the report states that while the growth of voluntary health insurance has been impressive, the needs of New York state's citizens 65 years of age and over are largely unmet. Only about 35% of senior citizens have hospital insurance and an even smaller proportion are covered by some form of medical care insurance.

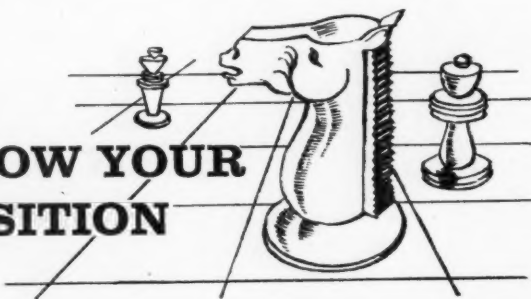
In group insurance, the predominant form of voluntary coverage today, provision for continuation, after retirement, of hospital expense and surgical coverage, is made for approximately one-third of the employees so covered. About 22% with group protection have the right of conversion to individual policies on retirement but at substantially higher rates. In individual insurance, little more than 1% of all health insurance policies are non-cancellable or guaranteed renewable for life.

Old People Need Help

The report concludes that the problem of medical care protection for older persons is still largely unsolved, with no provision currently being made for continuation of coverage for about two-thirds of the state's working population. The department's study cautions that "the development of a comprehensive and effective program of voluntary health insurance for all of our senior citizens will require more than the sanction of government and the willingness of the insurance industry. Its success will ultimately depend upon the understanding and vigorous support given to it by the employers, the labor organizations and the working people of our state."

The study was conducted under the direction of F. Roger Downey, administrative assistant to the superintendent. Copies may be purchased from the New York department, 324 State street, Albany, at \$1.25 per copy.

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Gives Reasons Back Of N. Y. Disapproval Of Auto Increases

In his talk on "The Insurance Department—Policeman, Prosecutor and Judge," at Buffalo I-Day, George Gross, counsel to the New York department, who tried the automobile rate action case which confirmed the superintendent's disapproval of increases, reviewed the events and issues which led to the decision. He also discussed the work of the department's complaint bureau.

"Rate-making is a complex process," Gross observed. "Basically, the rating organizations are faced with the task of pricing a commodity, the ultimate cost of which will remain unknown until some future date. Rate-making is far from being an exact science, and judgment considerations are important factors in the evaluation of past data as well as in projecting future trends. In predicating the proposed rate level changes upon the loss experience for the two most recent policy years, 1955 and 1956, the predication was based in the main upon estimates and very little on actual payment of losses. For instance, the record of this hearing discloses that in the year 1955, about 40% of the total incurred BI claims represented actual payments, and that 60% were in reserve and represented estimates. For the policy year 1956, approximately 6% represented actual payments and approximately 94% were still in reserve and represented estimates.

Too Much Judgment

"In essence, therefore, the figures submitted in the filings relied primarily upon the exercise of judgment factors applied to highly incomplete data. At the conclusion of these hearings, the disapproval of the rate filings was confirmed since nothing presented at the hearing compelled a modification of the conclusion reached by the superintendent previously. Neither the original filing nor the hearing had yielded loss experience of sufficient reliability to justify an increase.

"I know that this decision made a lot of people in the industry unhappy. But rarely does a decision make everyone happy.

"Perhaps the automobile rate controversy has had some useful effects," he continued. "It has focused the public's attention on the need for safe driving, and a tightening of the motor vehicle law point system, as well as other means of lowering the accident and fatality rate. And it may also bring out some economies and im-

proved efficiency in the automobile business. Sometimes we need a crisis in order to make progress."

In commenting on the work of the department's complaint bureau Mr. Gross said that A&S policies represent an important source of complaints. In 1957, 426 such complaints involving loss settlements or policy provisions were handled, of which 176 were upheld. The typical complaint is concerned with conflicting views such as when the illness or injury began and the amount of the benefits that insured believes he should receive. He noted that a considerable number of these complaints were not upheld.

"This, in itself, represents a problem," Mr. Gross explained. "The department has found that, more than in any other line of insurance, policyholders of A&H insurance misunderstand the provisions of their policies and the benefits provided thereunder. Thus, while the companies writing these contracts may be legally absolved from responsibility, there is a real need for further clarification to the policyholder at the time the contract is sold so that no misunderstanding will arise when a claim is presented. This need is particularly great in the A&H field because of the wide variety of conditions and limitations contained in them and the benefits provided."

Mr. Gross said that in cases involving loss settlements or policy provision there were 284 complaints in fire lines with 189 upheld and 95 not upheld in 1957.

Insurer's PR Policy Helped

He cited a complaint where the department was able to effect a satisfactory settlement because of the far-sighted public relations policy of the company involved:

"Insured had submitted a claim for fire damage under his fire policy and the company made an offer of \$5,000 in settlement of the claim. However, for some reason, insured did not respond to this offer until a year and a half later, at which time the company advised him that since more than one year had expired, he could not bring a lawsuit and, therefore, the company would not pay any claim under the policy. The insurance department, after taking this matter up with various officers of the insurance company, sent a letter to the president, advising him of the department's opinion that the company should make a settlement based on its last offer, and to see to it that in so doing, its rights were not waived or prejudiced. Insured would send a proof of loss for the amount of offer which the company would accept. This matter was closed to the satisfaction of all parties concerned."

Get Prompt Court Review Of Auto Rate Issue In N. Y.

Arguments on the New York department's refusal to approve increases in automobile liability rates are scheduled for hearing April 24 in the appellate division, third department, Albany county. This is the state's intermediate court. The appeal from the department's decision was removed from the regular calendar and assigned an early date on motion of National Bureau of Casualty Underwriters and Mutual Insurance Rating Bureau. The motion was opposed by the department through the attorney general's office.

The bureaus are appealing the order of former Superintendent Holz last November denying rate increases of 9.5% on passenger cars and 5.9% on commercial vehicles. He held that the experience for the years of 1955 and 1956 on which the rate rise request was based was too limited, and did not consider the effect of the compulsory law, which became operative

in 1957. He also questioned the loading for general administration expense. After a hearing on the bureaus' appeal in January, he affirmed his position.

The appellate division has instructed the bureaus to file briefs immediately and has given the insurance department until April 21 to do so.

Preferred Risk Appoints Blundell, Bassett, Smith

Preferred Risk of Arkansas and its affiliate, Southwest Casualty, have named M. S. Blundell treasurer, and have advanced W. W. Bassett, claims attorney and manager of home office claims department, to assistant vice-president. Joseph C. Lewis was appointed manager of casualty underwriting at the home office.

Mr. Blundell formerly was assistant secretary and controller of American Title. Mr. Bassett was with Employers Liability and Light Adjustment Co. Mr. Smith formerly was with Commercial Standard.

New Hampshire Fire has moved its Detroit office to 19050 West McNichols road.

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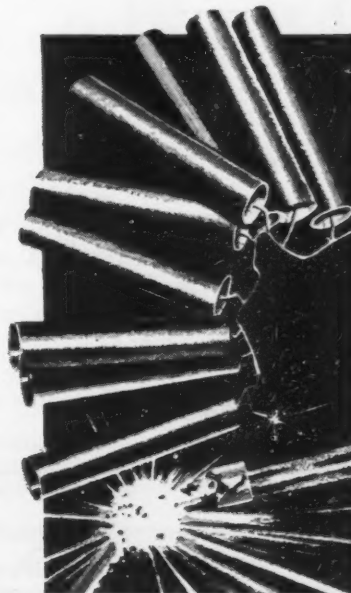
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S. Robert Rauwolf, Vice President, Dept. J

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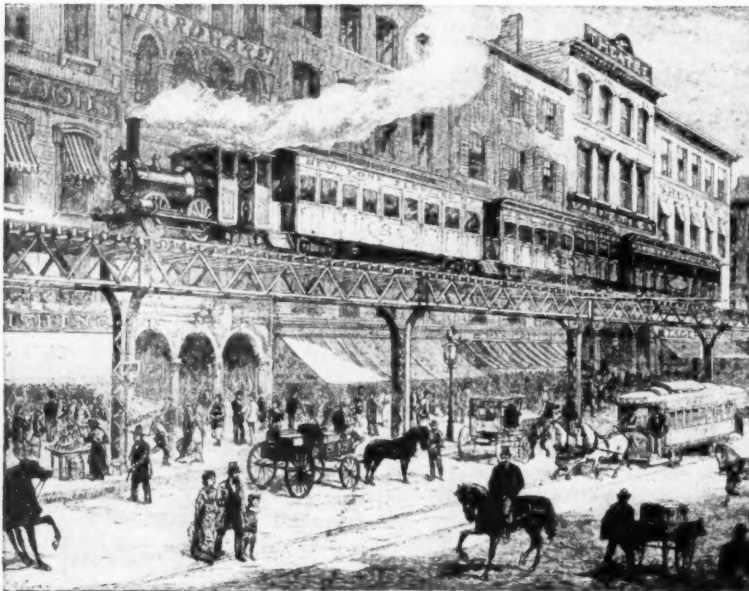
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N. Y. Legislature Passes 5 A&S Bills

The New York legislature has passed, and Gov. Harriman is expected to sign, five A&S bills, which would become effective July 1, 1959. Two of the bills deal with conversions. One makes available the conversion privilege to all groups that want it and provides minimum benefits in the converted contract at \$10 a day for 21 days for hospital stay, \$100 for miscellaneous hospital expenses, and \$200 for surgical benefits. The other bill would permit children and others leaving a family group to convert, with similar minimum benefits.

Another bill would prohibit insurers from cancelling or refusing to renew a policy after it has been in force two years because of a change in physical or mental condition. However, term policies still may be offered if clearly identified as such.

A fourth bill would give new policyholders a 10-day approval period with full premium refundable if they decide not to take the contract.

The fifth bill prohibits insurer cancellation of policies not guaranteed renewable except on annual anniversary dates. Also, on term policies the insurer must give 30 days advance notice of intention not to renew, which compares with the present five-day notice.

Producers Seek Remedy For Flat Cancellations

Recommendations to correct flat cancellations and credit system abuses as quickly as practicable through a process of cooperation and producer-company-public education were made at an all-day conference of Insurance Brokers Exchange of California, San Francisco Society Insurance Brokers and Southern California Insurance Brokers Society who met at San Francisco, with the expense committee of Pacific Board.

The producers' committees advocated that agents and brokers submit a confirmed order for a renewal policy to the company in a form acceptable to the company. The exact design of such a form will be developed by a special joint committee of Pacific Board and all producers' organizations. The methods of obtaining the renewal may often differ, it was pointed out, but the San Francisco conference members concluded that improved pre-renewal solicitation is a logical means of reducing the number of flat cancellations.

It was further concluded that all producer organizations should actively and continuously foster a program of recommended practices to their members, stressing the benefits of eliminating flat cancellations and credit system abuses. These benefits will apply directly to companies but will benefit producers and the insurance buying public.

CUA Marks Diamond Jubilee

Canadian Underwriters Assn., opened diamond jubilee celebrations at a luncheon in Montreal, with former presidents of the association and former senior employees attending. H. Douglas Coe, manager for Canada of Hartford Fire and president of CUA, presided. A similar luncheon will be held in Toronto to honor former representatives of the CUA in that area.

Louis N. Julienne of Robinson & Julienne local agency at Jackson, Miss., has retired after 50 years with the firm.

Promote 10 In HO At St. Paul F. & M.

St. Paul F.&M. has promoted the following: To secretary—G. H. Angell, marine department; R. H. Balensiefer, chief engineer; I. J. Fertig, coordinator between St. Paul F.&M. and Western Life; Don C. Hawkins, public relations and advertising; and W. B. Hershe, A&S department.

The following were promoted to assistant secretary: A. W. Brogger, rate regulation and forms; Culver Davis, multi-peril; Carl B. Drake Jr., casualty; Walker Groetzing, bond department claims; and Earl D. Strickland, personnel.

Mutual Companies Set Annual Claim Meet

Conference of Mutual Casualty Companies will hold its annual claim conference at Conrad Hilton hotel, Chicago, May 8-9.

B. G. Gottemoeller, director of claims policies Nationwide Mutual, will be lead-off speaker, discussing "Family Compensation Coverage—Why and How?"; Fred D. Cunningham, general counsel Shelby Mutual, "Liability Over and Above Policy Limits," and M. M. Johnson of M. M. Johnson Claim Service, Fort Wayne, Ind., "As an Independent Views Us."

Winding up the first day will be a panel on whiplash injuries, with David L. Tressler, vice-president American Mutual Re as moderator. Panelists will be Wyatt Jacobs of the Chicago law firm of Jacobs, Miller, Rooney & Lederleitner, who will handle the legal aspects, and Dr. Carlo Scuderi of Chicago, the medical aspects. Following their discussions, the two men will stage a typical courtroom presentation, with Dr. Scuderi giving testimony and being cross-examined by Mr. Jacobs.

The second day, "Fast Track Claims" will be discussed by P. F. Stedman of Auto Owners, Russell B. Wellman, claims supervisor Employers Mutual Casualty, and Darwin L. Cooper, claim analyst, State Farm companies.

Reports will be read at the claim arbitration annual meeting and the annual election will be held.

Company attorneys, as well as all company personnel of the conference interested in claims or their legal aspects, are invited to attend the "whiplash" session and courtroom presentation and participate in these discussions, according to a conference release.

Hartford Accident Shifts Claims Men In New England

Hartford Accident has appointed John D. Cross claims manager at Portland. He will be succeeded as claims representative at Barre, Vt., by Leon J. Roy. With Hartford Accident since 1949, Mr. Cross was a claims representative of Glens Falls before going to Barre in 1950.

John F. Lyons has been named claims representative at Burlington, Vt. He succeeds James Meyer, who moves to Albany. Mr. Lyons has been at the Portland office since 1956, when he joined the company.

The Chicago regional office of Allstate has been named winner of the company's Fentress award, presented annually to the regional office with the best all-around performance for the year. The award is named in honor of Calvin Fentress Jr., chairman of Allstate.

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Traffic Deaths Down Again In Feb.

Traffic fatalities for February totaled 2,350, according to estimates of National Safety Council. This was a 5% drop from the toll of 2,470 in February, 1957, and was the smallest total for any month since the 2,319 recorded in February, 1955.

Deaths for the first two months of this year were 5,080, down 5% from the 5,340 reported for the same period last year.

February was the fourth consecutive month to show a drop in the traffic toll. Except for last August, every month has shown a decrease or no change from the year before since the downward trend began in December, 1956.

Homeowners and comprehensive dwelling policies were discussed by M. P. Griffin, Milwaukee, state agent Connecticut Fire, at a dinner meeting of Insurance Women of Racine, (Wis.) Delegates reported on the annual conference of region 5 of the National Association of Insurance Women at Rockton, Ill.

Five Are Promoted By American F.&C.

American Fire & Casualty has promoted C. Blakey, assistant secretary, to vice-president in charge of fidelity and surety bonds and Billy L. Hays, former assistant secretary, to vice-president in charge of miscellaneous casualty.

New officers elected were Harold E. Marsoff, vice-president in charge of education, and Thomas H. Rowe Jr., assistant secretary, and Robert E. Trapp, assistant secretary.

Jordan Is Secretary Of N. Y. Agents Assn.

John J. Jordan has been named executive secretary of New York State Assn. of Insurance Agents, and Eleanor Foelker has been appointed office manager.

Mr. Jordan's career began with Carrier Corp. in Syracuse. He joined the association in 1952 as assistant secretary and has spent the past four years traveling in membership work and assisting agents in forming local boards.

Mrs. Foelker formerly was with Goodyear Rubber Co. at Malone and with Benedict Manufacturing Co. and Porter-Cable Machine Co. at Syracuse.

A committee headed by Herbert S. Brewer, Lockport, executive vice-president, has studied the association office operation and developed new procedures with details handled largely by the office manager, with the executive secretary devoting more time to field work.

Local Agent Units Being Formed In Cook County

Chicago Board of Underwriters has launched a joint program in conjunction with Illinois Assn. of Insurance Agents to establish local boards in suburban Cook county, Ill. A membership enrollment project, this is the first such movement attempted in the Cook county area, and the new county members will have co-existent membership in the parent Chicago Board and the Illinois agents' association.

Lawrence R. Fisher, vice-president Rockwood Co. agency and president Chicago Board; Charles D. Campbell, assistant manager of the board, and Kelly Graham, acting manager of the state association, have met with Cook county suburban agent groups at Des Plaines, Oak Park, Berwyn, Chicago Heights and Riverdale. Plans are for the board and association to have meetings in other suburban communities within the next few weeks.

At present, there are more than 50 local boards in Illinois.

Florida Bridge Insurance Awarded to Lowest Bidder

TALLAHASSEE—The state road department has awarded its bridge insurance for three years to Griffin-Buchanan agency of Miami, which submitted a low bid of \$285,790. The expiring policy was with Stembler-Shelden agency, Miami, which figured in the recent Congressional investigation of Federal Communications Commission when it was revealed that Thurman A. Whiteside, attorney, controlled the agency and had given an interest in it to Richard A. Mack, who recently resigned as FCC commissioner.

CALIFORNIA AGENCY DIRECTOR \$20,000

A truly multiple line Company is establishing a West Coast Department in Southern California. For this position they require a man presently functioning on the executive level in a Home Office Production Department. By reason of heavy involvement in all aspects of fire-casualty-life and A and H the man for this job is probably employed by a direct writer with large volume of not only fire and casualty but life as well. It is mandatory, to qualify, that life insurance has played an important part in the man's duties. Age range 35-45 with minimum of ten years "heavy" background in all lines. Employer will consider only men that have acquired experience on Home Office or Branch level with major Company. All inquiries handled confidentially. Employer pays moving expenses and service charge.

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Norton Simon Has Headaches In Another Business

Norton Simon, the west coast financier whose venture into insurance via Security of New Haven last year caused an uproar, is having his headaches in another business—publishing, according to the *Gallagher Report*, a newsletter for publishing executives.

Mr. Simon is the largest stockholder of McCall Corp. The *Gallagher Report* says McCall's and Redbook are reported to have lost nearly \$1 million in 1957.

"Norton Simon has made his millions wheeling and dealing largely in formula-type businesses," the report states. "Lessons learned from dealing in one enterprise could profitably be converted when wheeling in another. Mr. Simon's blunder, it seems, was in thinking that publishing could be handled like any other business. It can't. There are no formulas."

Insurance people can undoubtedly pick up an echo from that comment.

The *Gallagher Report* goes on to say that Mr. Simon is a realist, "and realists hate to lose money. Two interesting possibilities—with a number of ramifications—suggest themselves. One, Simon will try to peddle off his sizable interest in McCall Corp. (207,442 shares—33% ownership); or, two, he will—in one way or another—get rid of his magazine properties and concentrate on making money out of McCall's through its profitable printing and dress pattern business . . . Simon controls a \$350 million empire. Lately, however, he has been liquidating some of his assets. Last year, for example, he dropped out of Security Ins. Co. of New Haven. Informed sources now feel that if he gets the right offer for his McCall stock this year, he will pull out of it too."

Those who watched with fascination Mr. Simon's incursion into the insurance business will recall that many of the same things the *Gallagher Report* says today about magazine publishing were said a year ago about insurance and that pretty much the same things came to pass a year ago that are occurring in Mr. Simon's new business today.

O'Mahoney Hearings Unlikely To Be Soon

WASHINGTON—The Senate anti-trust and monopoly subcommittee will probably not hold hearings in its insurance study before the next six weeks or two months, according to information from committee headquarters. This is an estimate, since the committee has taken no action on the material. Meanwhile, the staff awaits arrangement for a meeting with representatives of state commissioners, which committee sources say it wants, with a view of cooperation.

MERGER ACTION

Informed counsel on insurance merger opportunities and procedure arrangements, in all lines of coverage. No obligation for inquiry.

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Sokol To Coast For Aetna Fire; Two Named At Chicago

Charles D. Sokol has been transferred from the Chicago metropolitan department of Aetna Fire to the Pacific department as assistant manager. A. J. Couch is promoted to full manager of the Cook county office, Chicago.

In his new position Mr. Sokol will be associated with Clyde M. Marshall, vice-president and manager of the Pacific department. He has been co-manager in Chicago. As full manager of the Cook county office, Mr. Couch will be assisted by John L. Mowatt, assistant manager of the western department, who is transferring from the Park Ridge headquarters.

Joined Aetna In 1929

Mr. Sokol joined Aetna in 1929 as a map clerk and later was made special agent in Ohio. He was appointed a general agent in 1947 and transferred to Chicago. In 1949 he was made assistant manager of the western department. Mr. Sokol was appointed co-manager of the Cook county office in 1953.

Mr. Couch joined Standard of New York in 1923 as manager of the New York metropolitan department. In 1927 he was transferred to Chicago as manager of the Cook county office. Aetna purchased Standard in 1941 and in 1953 Mr. Couch was appointed co-manager of the combined Cook county office.

Mr. Mowatt has been with Aetna's western department since 1930, serving as special agent, state agent, agency superintendent, and, until his present appointment, assistant manager at Park Ridge.

Great American has been elected a member of Surety Assn. of America. This brings membership to 81.



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'Third Man' Theme Of N. Y. Mutual Agents

Mutual Agents Assn. of New York will feature "The Third Man Theme" at the annual convention in Syracuse April 14-15. Featured speakers will show how the third man, the agent, can sell more, learn more and brighten his role in insurance.

The convention will open with an address by Major Alexander de Severisky, author, aeronautical designer and authority on air and space power.

A special panel and discussion session on "The State of the Industry" will feature Milton Baier, president of Merchants Mutual; N. C. Flanagan, executive vice-president of Kemper group, and William N. Woodland, editor of the *Standard*. William Stringfellow of the national association will moderate. Discussion participants include Deputy Arthur Lamanda of the New York department, Earl Lamb, New York City agent, and George Schepens of the New York automobile assigned risk plan. Discussion subjects will include automobile competition, rates,

commissions, package policies, losses and the future of agents. Harry Foster, Utica Mutual, will lecture on liability and Kline Hable, Syracuse University, on hiring personnel. There will also be a discussion on "Will Success Spoil Package Policies?"

Richard Layton of *Rough Notes* will speak on cost control, systems and procedures, and a short course in letter writing will be conducted by Dorethea Chandler, associate professor at Syracuse University. Philip Baldwin, general manager of the national association, will discuss new developments.

Hull Syndicate Losses Down, Volume Higher

Over-all underwriting results for the American ocean marine insurance market improved in 1957 according to the annual report of American Hull Insurance Syndicate.

Clifford G. Cornwall, manager of the syndicate indicated that while serious casualties, notably collisions, were far heavier in number and amount in 1957, no total losses were large enough to have a major impact on underwriting results. If normal incidence of total losses had been coupled with the higher casualty rate, over-all results for 1957 would have been unsatisfactory, he stated.

Noting that the volume of premiums earned increased 17% in 1957, Mr. Cornwall explained that virtually the entire increase represented new business. Despite rising repair costs, he said, the average level of hull rates on domestic business increased only about 1%.

At Nov. 30, 1957, the syndicate was providing coverage for approximately 400 more vessels than a year earlier, Mr. Cornwall indicated. The greatest growth was in coverage of foreign-owned vessels, which had an increase of more than 300 ships, or nearly 20%, over 1956, making a total of almost 2,000 foreign-owned vessels insured through the syndicate at the end of 1957.

Discusses Replacement Program

The report discussed the current replacement program of the domestic subsidized lines and noted that the cost of vessels being built will greatly exceed the cost and value of tonnage being replaced.

This, in turn, is requiring the syndicate to prepare to increase its capacity from its present limit of \$7 million per vessel, in view of such developments as the combination passenger-cargo vessels being built by Grace Line and Moore-McCormack Lines, all of which will require insurance in amounts greater than the existing limit.

Bewkes Insurance Head Of AMA, Faison To J. & H.

E. Garret Bewkes Jr., has been named insurance division manager of American Management Assn., succeeding Seth S. Faison, who has gone with Johnson & Higgins as assistant vice-president.

Mr. Bewkes joined AMA in 1957 as an assistant division manager. Previously he was assistant to the Assistant Secretary of the Air Force, and with Chapman, Walsh & O'Connell, New York law firm.

Harper Named At Tampa

North British has appointed Donald N. Harper as field claim superintendent at Tampa, with headquarters in the Tampa Theatre building. He succeeds Charles W. Cusic, resigned.

Standard Accident Promotes Steel

Standard Accident has appointed W. Glen Steel assistant manager of the collection department. He joined Standard Accident in 1934.

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Your nearby America Fore Loyalty Agent will be glad to explain how you may select the coverages you need and the amounts of your insurance. For his name call Western Union by number and ask for Operator 25.

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America Fore Loyalty Group

**America Fore
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Buffalo Has Losses On Underwriting, Surplus; Volume Up

In 1957 Buffalo's policyholders surplus dropped from \$5,590,476 to \$4,132,685 and assets from \$15,419,696 to \$14,750,249, Victor T. Ehre, president, reported to producers of the company. Premiums written rose from \$6,411,767 to \$6,924,807. Unearned premium reserve climbed from \$7,147,214 to \$7,356,664. The underwriting loss was \$1,251,857.

Despite rate adjustments, the business continues to face a critical situation in automobile, Mr. Ehre pointed out, due to the failure to secure necessary rate increases in New York and Tennessee, and due to abnormal delay, resistance and controversy in other jurisdictions.

Points Out Seriousness

The seriousness of the New York disapprovals, he observes, can be demonstrated by pointing out that as a group the companies licensed to write automobile liability business in New York state have 25% of their auto business in that state. Consequently, if New York rates are inadequate, they are inadequate for 25% of the total line.

Inland marine continues to be particularly troublesome, Mr. Ehre added.

Net investment income increased from \$331,651 to \$353,875. The surplus of the company was penalized by unauthorized reinsurance of \$537,474, principally on business handled by the marine manager of Buffalo, Talbot, Bird & Co. However, Mr. Ehre points out, this is perfectly good reinsurance, which should be considered as a conditional asset.

Improved Expense Ratio

The company improved its expense ratio 1.15 points by improvements in automation, electronic data processing and the tightening up of many home office and branch office systems and procedures. However, he suggests that agents and companies working together can effect additional savings and expenses.

He called attention to some recommendations in this regard made by Craig Thorn Jr. of Hudson, president of New York State Assn. of Insurance

Ohio Court Decides Fall From Bar Stool Is Not An Accident

Ohio court of appeals upheld Buckeye Union Casualty in its refusal to defend a suit brought against its insured, a tavern owner, by an intoxicated patron who fell from a bar stool, and also reversed a lower court judgment against the insurer for attorney's fees. The case is reported in 9 CCH (Fire & Casualty) 489.

The case grew out of an incident in a tap room when James Unger allegedly went there intoxicated, seated himself on a bar stool and continued to drink. He became completely incapacitated, lost control of his faculties and fell to the floor. He sued the tavern owner for serving him additional intoxicating liquors after he was already drunk. Buckeye Union Casualty refused to defend and the tavern owner hired her own counsel and successfully defended in the lower court.

Brought Suit

She then brought suit against Buckeye Union Casualty for attorney's fees and won a judgment. On the company's appeal, the higher court held in its reversal that Unger was in a state of complete stupefaction and under such circumstances his fall could not be attributed to accident and the company therefore had no responsibility to defend. The court commented that it would have been more of an accident if the patron had remained upright.

Fred P. Soukup was counsel for the tavern owner and McConnell, Blaustone, Cory, Burke & Kundtz for Buckeye Union Casualty.

Agents. Mr. Thorn recommended eliminating such special services as collect telephone calls, stationery, scratch pads, etc.; agency cooperation in proper claim handling; assumption by agents of maximum policy and endorsement writing; prompt and proper accounting and payment of balances, and elimination of flat cancellations.

Mr. Ehre said that if all of these recommendations were adopted, the combined loss and expense ratio of Buffalo would be reduced by as much as 10 points.



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FINANCIAL STATEMENT DECEMBER 31, 1957

ASSETS

Cash in Banks		\$1,322,593.63
Bonds at Amortized Value		
U. S. Government Bonds	\$1,514,443.11	
State Bonds	309,086.76	
Municipal Bonds	641,532.54	2,465,062.41
Common Stocks		
Public Utility Stocks	\$ 37,400.00	
Industrial & Miscellaneous		
Stocks	55,253.60	92,653.60
Net Premiums in course of collection less than 90 days		404,611.67
Reinsurance due and in transit on paid losses		24,943.32
Interest Accrued and Other Admitted Assets		22,741.64
TOTAL ADMITTED ASSETS		\$4,332,606.27

LIABILITIES

Reserve for claims in process of adjustment	\$1,759,973.93
Reserve for unearned premiums	714,253.49
Reserve for taxes and other Expenses Accrued	81,073.47
Funds held by company under Reinsurance treaties	608,530.01
Capital	\$600,000.00
Surplus	568,775.37
Surplus as regards policyholders	1,168,775.37
TOTAL	\$4,332,606.27

Bonds carried at \$618,917.81 in the above statement are deposited with various states as required by law.

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CONSOLIDATED FINANCIAL STATEMENT

December 31, 1957

ASSETS

Bonds	\$10,908,283
Stocks	1,692,542
Cash in Banks and Offices	1,581,461
Agents' Balances	1,045,825
F.H.A. Mortgages	9,455
Home Office	547,195
Accrued Interest and Other Funds	1,242,868
Total Admitted Assets	\$17,027,629

RESERVES AND SURPLUS

Claim Reserve	\$ 5,466,417
Unearned Premiums	6,816,584
Commissions	83,030
Tax Reserves	390,297
Miscellaneous Reserves	719,587
Contingency Reserve	\$ 751,714
Capital	1,300,000
Surplus	1,500,000
Surplus to Policyholders	3,551,714
Total Liabilities	\$17,027,629

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Iowa Agents Elect, Change Assn. Name

DES MOINES—Iowa Assn. of Insurance Agents, holding an abbreviated annual meeting here during the Midwest Territorial Conference of National Assn. of Insurance Agents, changed its name to Iowa Assn. of Independent Insurance Agents.

H. H. Nelson, Council Bluffs, was elected president, succeeding R. D. Cline, Des Moines. B. W. Hopkins, Des Moines, past president and immediate past chairman of Midwest Territorial Conference, became state national director, succeeding W. F. Grandy, Sioux City, who was elected to the NAIA executive committee last fall.

R. J. Connable, Keokuk, is the new vice-president and Earl Holtz, Ames, was elected treasurer. The executive committee consists of Mr. Cline; R. C. Grossman, Marshalltown; Lee Miller, Cherokee; Clark Caldwell, Iowa City, and C. B. Donahue, Hampton.

Resolutions Made

Resolutions called for establishment of a state information service in Iowa, pledged support of the state highway department's new safety and enforcement program, and opposed unilateral commission reductions. The Iowa agents voted to rotate the annual meeting, which has been held in Des Moines for several years, going to Cedar Rapids in 1959 and to Davenport in 1960. The membership campaign was highly successful, membership now being at an all-time high of 773, the increase being the largest of any state association.

Two A&H Groups At L. A. Elect, Hear Gifford

A&H Managers Club of Los Angeles has elected Earl Montgomery of Provident Life & Accident as president, George Williams, Hartford Accident, vice-president, and Calvin L. Smith of Charles O. Finley & Co. secretary, at a joint meeting with Los Angeles A&H Underwriters Assn., which elected Frances Sandidge of Massachusetts Protective and Paul Revere Life as president, Edmon L. Porter, Washington National, vice-president, and Jack Roelsson, Washington National, secretary-treasurer.

The new president is reported to have the distinction of being the first woman to be elected to the presidency of an accident and health underwriters association in the entire country. Brokerage manager for the Milton L. Rose general agency of the two companies, she has been active in A&H insurance for a number of years.

Gifford Lauds Cal. Assns.

Speaker at the meeting was Bruce Gifford, manager of International Assn. of A&H Underwriters, who expressed gratification over the enthusiasm of the California associations for the A&H business, saying that it was not so all over the country. He said 90 associations were affiliated with the international and said California leads all other states in this respect. He mentioned the changes taking place in the industry, and that, because they may become dangerous, are a challenge to the industry and that the local associations must meet this challenge. The industry must drop the selling idea and adopt the buying one, he said. He stressed the necessity of professional status for those in the A&S business and urged the adoption of a new selling technique.

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Urges Casualty Adjusters To Take Broad Outlook

(CONTINUED FROM PAGE 4)

compensation field, he said. "In the latter half of the 16th century there was an attempt to create a separate tribunal for this purpose, but the common law courts opposed it." But history has a way of repeating itself, he warned.

He also mentioned, as possible indications of the same trend, uninsured motorist cover and a new automobile policy "which provides an expansion of medical payments cover, tried experimentally under the name of 'alternative compensation,' which offered an injured third party the alternative of pursuing his claim under the laws of negligence, or of accepting compensation on a contractual basis, irrespective of liability."

Mr. Gerber went on to say that the commissioner's power to control settlement of claims without resorting to judicial litigation "raises a question as to the distinction between police power regulation and the regulation of a company's conduct in claim settlement practices." The public sees no distinction between the protection of the theoretical possibility that insured may collect his claim when it matures by a requirement of reserves or control of finances and investment, or enforcing actual collection of his claim when it matures, he added.

Power Raises Question

Mr. Gerber said the commissioner's method of control is an informal one, since a company would rather not face the adverse publicity of litigation. He emphasized that the commissioners do not abuse this method, but, more and more, "people look to the department as the *parens patriae*, and thus the commissioner goes from adviser to prosecutor to judge."

No one denies the authority of the commissioner relative to financial condition of a company, he declared, "and continuous history of poor claim payments may well be due to poor financial status," he said, leaving this thought for what it was worth.

Director Gerber explained to the casualty adjusters some of the things the insurance industry is doing to increase efficiency, economy and facility of claims handling. He also noted, however, there is a "great degree of fraud by insureds and claimants."

Cites Rules Set By Rogan

He gave a number of rules laid down on an occasion by Commissioner Paul Rogan of Wisconsin as to claim adjusters and their actions, some of these being that adjusters must reply without undue delay to correspondence or inquiries and that claimants are entitled to courteous and straightforward dealings and claimants should be promptly informed of disposition of the claim and the basis for same. Legal defenses, of course, need not be disclosed.

Mr. Gerber said it is a rule in the Illinois department that answers must be made to all inquiries within 48 hours. This may not be a complete settlement of the matter, but it is an answer. He went on to say there were "entirely too many people complaining to the Illinois department" about being "pushed around" and declared that if claimants were told as much as possible in the first place, it "would save us a lot of trouble." Anyone receiving a letter from a company or an adjuster stating only that "we disclaim responsibility" is bound to look further for satisfaction, he said.

Another of Mr. Rogan's points mentioned by Director Gerber was that settlements should be made without threat of legal expenses, delay and insolvency of company. This created a perceptible stir in the audience, especially when Mr. Gerber said that "when you try this kind of method to settle for your company you are doing the business a disservice. The Illinois department receives a great number of complaints on this score. You should be able to figure out another way to dispose of your problems than by this method." He also added that "unfortunately, adjusters are not licensed or properly trained or paid sufficiently for their services."

Must Grasp Over-All Picture

"We as an industry have been notoriously poor in our public relations setup, and you men can do a big job in straightening out some of the misconceptions now held by the public in the way you go about your business. In this way the public can gain or regain confidence in our business. To do this adjusters must be brought into the family circle and made to realize the over-all picture of the tremendous impact of insurance. This means a more thorough study and knowledge of the business as a whole."

Mr. Gerber reiterated that a "tremendous job can be done of developing lines of communication between the public and the companies by the claims men" and they have a greater obligation than ever before in view of what is being done and said about who should regulate the insurance business.

"I don't know just where we are going," he said, "but I do know that Uncle Sam has appropriated \$365,000 to investigate the subject of insurance and I also know that regulatory bodies and the industry have not faced up to their problems and we are in trouble."

Mo. Court Reverses WC Hearing Award

JEFFERSON CITY—Kansas City court of appeals has reversed a loss of hearing award of the Missouri industrial commission. It is expected the case will go to the state supreme court.

Contrary to the trend in some states to liberalize the workmen's compensation and occupational diseases laws, the Kansas City court has declared that "noise induced loss of hearing is not an industrial disease within the meaning of our compensation laws."

In this case Lawrence Marie was employed as a welder working inside steel tanks being assembled while other employees were engaged in hitting the tanks with sledges, hammers, grinders, etc., both inside and outside. He maintained he developed a permanent loss of hearing in both ears and was awarded \$30 a week compensation for 80 weeks on a finding of 48.09% hearing disability.

The court of appeals, while admitting the WC act is to be construed liberally in favor of the employee, said: "This does not mean that the commission is authorized to add to the type and character of the conditions which the legislature has indicated and recognized as occupational diseases. It is not for the commission or the courts to create an entirely new class of compensable matters; that would be a matter of public policy to be declared by the legislature."

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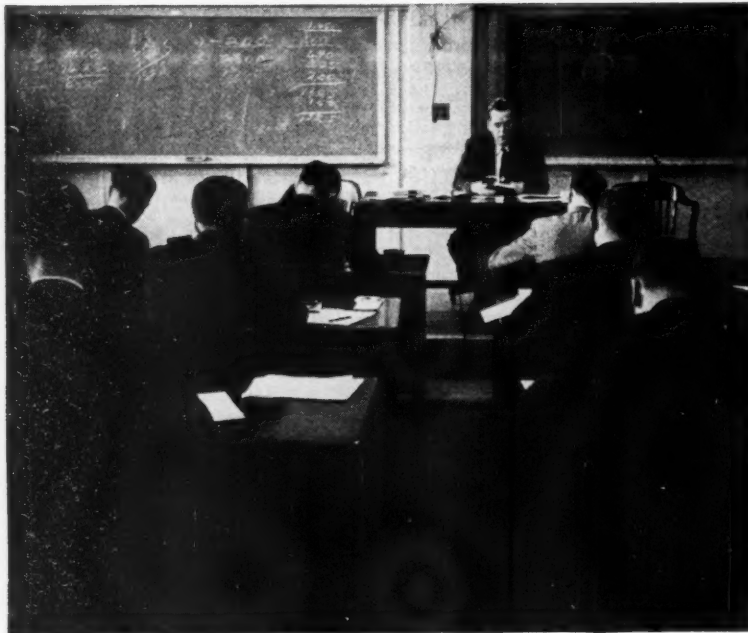
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Convention Dates

- April 9-12, National Assn. of Insurance Commissioners, Zone 5, Broadmoor hotel, Colorado Springs, Colo.
- April 10-11, Ohio Assn. of Mutual Insurance Agents, annual, Neil House, Columbus.
- April 11, District of Columbia Assn. of Insurance Agents I-Day.
- April 13-15, Tennessee Assn. of Mutual Insurance Agents, annual, Andrew Jackson hotel, Nashville.
- April 14-16, Life Insurance Agency Management Assn., A&S meeting, Edgewater Beach hotel, Chicago.
- April 16-18, National Assn. of Insurance Commissioners, Zone 2, John Marshall hotel, Richmond, Va.
- April 17-18, National Assn. of Casualty & Surety Agents, midyear, Muehlebach hotel, Kansas City.
- April 24, Chicago I-Day, Conrad Hilton hotel.
- April 24-26, Southern Agents Conference of NAIA, Fontainebleau hotel, Miami Beach.
- April 28-30, National Assn. of Independent Insurance Adjusters, annual, Sheraton Plaza hotel, Boston.
- May 1-3, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.
- May 1-3, North Carolina Assn. of Insurance Agents, annual, Hotel Carolina, Pinehurst.
- May 2-3, Oklahoma Assn. of Insurance Agents, annual, Mayo hotel, Tulsa.
- May 4-6, New York State Assn. of Insurance Agents, annual, Hotel Syracuse, Syracuse.
- May 5-7, American Mutual Insurance Alliance, annual, Edgewater Beach hotel, Chicago.
- May 8-9, Ohio Assn. of A&H Underwriters, Netherlands Hilton hotel, Cleveland.
- May 8-9, Conference of Mutual Casualty Companies, claim conference, Conrad Hilton hotel, Chicago.
- May 11-14, American Assn. of Managing General Agents, annual, Broadmoor hotel, Colorado Springs, Colo.
- May 12-14, National Assn. of Mutual Insurance Agents, midyear, Kentucky hotel, Louisville.
- May 13-14, Illinois Bureau of Casualty Insurers, annual, St. Nicholas hotel, Springfield.
- May 16-17, Texas Assn. of Insurance Agents, annual, Rice hotel, Houston.
- May 19-23, National Fire Protection Assn., annual, Palmer House, Chicago.
- May 21-23, Insurance Company Education Directors Society, annual, Skytop lodge, Skytop, Pa.
- May 22, Midwestern Independent Statistical Service, annual, Bismark hotel, Chicago.
- May 23-24, Florida Assn. of Insurance Agents, annual, Fontainebleau hotel, Miami Beach.
- May 25-27, Florida Assn. of Mutual Insurance Agents, annual, Balmoral hotel, Miami Beach.
- June 1-4, Insurance Accounting & Statistical Assn., annual, Sherman hotel, Chicago.
- June 6-7, Pennsylvania Claim Men's Assn., annual, Bedford Springs, Pa.
- June 8-10, Maryland Assn. of Insurance Agents, midyear, Commander hotel, Ocean City.
- June 8-11, Conference of Mutual Casualty Companies, management conference, Grove Park Inn, Asheville, N. C.
- June 9-11, Southeastern Underwriters Assn., annual, The Homestead, Hot Springs, Va.
- June 9-13, National Assn. of Insurance Commissioners, annual, Conrad Hilton hotel, Chicago.
- June 11-12, Wisconsin Assn. of Mutual Insurance Agents, annual, Schwartz hotel, Elkhart Lake.
- June 11-14, International Assn. of A&H Underwriters, annual, Statler hotel, Los Angeles.
- June 11-14, National Assn. of Public Insurance Adjusters, annual, Hotel Traymore, Atlantic City, N. J.
- June 12-14, Mississippi Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park.
- June 12-14, North Carolina Assn. of Mutual Insurance Agents, annual, Grove Park Inn, Asheville.
- June 15-17, New England Assn. of Insurance Agents, annual Lake Tarleton Club, Pike, N. H.
- June 19-21, Georgia Assn. of Insurance Agents, annual, General Oglethorpe hotel, Savannah.
- June 24-27, National Assn. of Insurance Women, annual, Statler Hilton hotel, Detroit.
- June 29-July 2, Virginia Assn. of Insurance Agents, annual, Cavalier hotel, Virginia Beach.
- Aug. 10-13, West Virginia Assn. of Insurance Agents, annual, Greenbrier hotel, White Sulphur Springs.
- Aug. 20-22, Federation of Insurance Counsel, Paramount hotel, San Francisco.
- Aug. 21-23, Montana Assn. of Insurance Agents, annual, Northern hotel, Billings, Mont.
- Aug. 24-28, Section on insurance negligence and compensation law, American Bar Assn., Ambassador hotel, Los Angeles.
- Sept. 4-5, Conference of Mutual Casualty Companies, sales and agency conference, Conrad Hilton hotel, Chicago.
- Sept. 8-9, New Jersey Assn. of Insurance Agents, annual, Traymore hotel, Atlantic City.

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350 Attend Midyear Meeting Of R. I. Assn.

About 350 attended the midyear meeting of the Rhode Island Assn. of Insurance Agents in Providence. The featured speaker was Louie E. Woodbury, Wilmington, N. C., president of the National association. Commissioner Bisson spoke briefly, and expressed strong disapproval of the part-time agents in the fire and casualty business.

Frank T. Lowrey of Pawtucket, president, devoted his report principally to legislation. The assembly is still in session. He said a public hearing will be held soon on the compulsory auto bill. The agents, he said, are hopeful that it will be defeated.

He also expressed strong disapproval of a bill introduced in the Rhode Island senate by Life Insurance Assn. of America on unfair methods of competition and unfair and deceptive acts and practices in insurance. He said the Rhode Island association has strongly opposed this type of legislation for three years and are hopeful that they can defeat it again this year. He said it seems to the Rhode Island agents to violate the fundamental civil rights of those engaged in insurance.

The association is supporting a controlled business bill. It decided not to introduce a fictitious group bill, since Mr. Bisson recently issued a ruling outlawing the writing of insurance under fictitious group plans. The association also was interested in the surplus lines legislation but on investigation learned that there was no widespread demand from members for a surplus lines law. Consequently, such a measure was not introduced.

Fla. Governor Denies Need For State Insurance Bids

TALLAHASSEE—Gov. Collins has disagreed with critics who insist the state's insurance should be awarded on competitive bids. He stated in a news conference that insurance does not lend itself to such bids, since financial responsibility and quality of service are of prime importance.

The governor said there was nothing wrong with his administration practice of placing insurance through its friends, provided the state's best interests were safeguarded. In reply to a question, he said his office had given state agencies the names of agents considered reputable, who were friends and supporters of the administration.

He pointed out that he had never asked for competitive bids on insurance for his home and doubted that many private businesses did so.

When informed that the state forestry and road departments placed insurance after competitive bidding, the governor questioned whether the state's best interests were served by the practice.

To Study Recodification Of Laws In Georgia

Before the Georgia legislature closed down it adopted a resolution authorizing a complete recodification of all insurance laws and appropriated \$50,000 for the purpose. A revision committee composed of house and senate members and representatives of the insurance business was authorized by the resolution.

Wiltshire Joins Citizens Mutual

Charles H. Wiltshire, formerly with R. M. Hill Co. adjusters of Detroit, has joined Citizens Mutual of Howell, Mich., as fire and inland marine loss manager at the home office.

Aetna Fire Moving To Modern Home Office

HARTFORD—Aetna Fire will complete a two week schedule of moving from 650 and 670 Main street to its new home office, the completely modernized, former Connecticut General Life building, 55 Elm street, on April 8.

Unusual problems were encountered in remodeling the structure. In order to install air conditioning throughout the main building, ceilings were lowered to cover the conduits and new lighting fixtures were added. Nearly six miles of trench openings were cut in the concrete floors in order to lay conduits in both the main building and the four-story annex to accommodate outlets for electrical equipment and telephones. Vinyl tile flooring was then laid over the concrete.

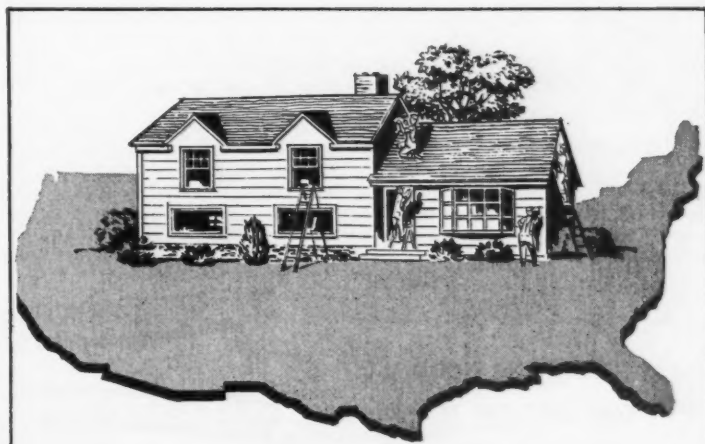
The new acoustical ceilings are fiberglass block, two by four feet, with plastic covering and are set in an anodized aluminum framework. This is the largest known area of this type of ceiling ever installed in a single structure and the building also contains the largest known area of vinyl tile floor covering.

Aetna Fire has been at its former location since 1867.

Middle Department Elects

Middle Department Assn. of Fire Underwriters at its annual meeting in Philadelphia elected to the governing board Continental, New Hampshire Fire, National Union Fire, and Travelers Indemnity.

L. M. Michel, Reliance, was elected board chairman, John Glendening of Home vice-chairman, Carlyle H. Hill secretary and executive manager, and Harry C. Ellis treasurer.



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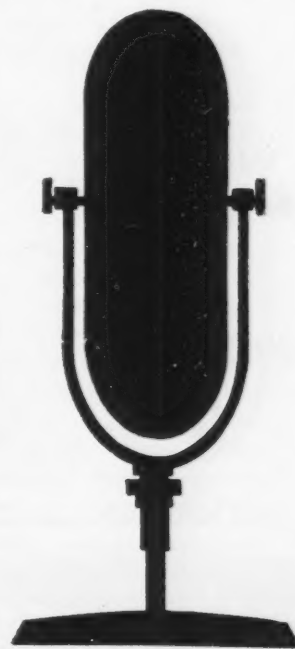
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Midwest Conference Of NAIA Names Moran

(CONTINUED FROM PAGE 4)

different from its predecessors, since H. O. Snedicker, Chicago, assistant manager Western Actuarial Bureau, and Rush W. Carter, vice-president and manager, Aetna Fire group, Chicago, were invited to speak and each discussed impending developments.

R. W. Byrne, Omaha, made his first appearance as conference committee chairman, having succeeded Emil L. Lederer of Chicago in this spot. Unfortunately, Mr. Byrne was kept from speaking by a bad cold and Mr. Timm gave the committee report. He emphasized that the bad underwriting losses of recent years made it obviously impossible for the companies to concede much in the way of form broadenings, but he praised and thanked the company representatives for their cooperation and for the spirit of understanding which has dominated conference sessions.

Public Property Is Major Problem

Public properties and especially schools are a major problem today, Mr. Timm said. Mutual companies generally, and particularly the factory mutuals, are competing aggressively for this business, and at the moment there is no relief in sight for agents. Mr. Timm said he recognizes that schools are outside the province of Factory Insurance Assn., but he hopes that there will be devised some type of treatment for these risks, perhaps with multiple location credit, though there is much opposition to this proposal.

So far the committee has gotten nothing with its proposals for handling multiple insurers on large risks by some form of agency or subscription policy and for incorporating vandalism insurance into extended coverage.

No Coverage Broadening Now

In fact, because of experience, any extended coverage broadening seems out of the picture now. He does hope, however, that the companies will work out a method of paying losses, where there are many insurers with a single draft, as is now being done to some extent with public properties.

Mr. Timm passed on several requests from the companies for agents' help. In some states they have run into insurance department opposition to rate increases, despite their demonstrated need, and agents can be helpful in getting the story over to public officials. In many communities, particularly new mushrooming areas and newly annexed areas, the fire department situation is critical and the public and officials must be made to realize this.

Since Western Adjustment and Underwriters Adjusting have agreed to adjust losses only for member companies and their agents, these two organizations have cut themselves off from considerable revenue, and hence the agents were asked to see that all their losses are referred to them.

Describes Changes In Forms

Mr. Snedicker described the proposed changes in business interruption forms. They have been recommended by Inter-Regional Insurance Conference for countrywide adoption and probably will come about soon. The change involves dropping the two-item forms, leaving the gross earnings mercantile and manufacturing forms as the basic ones. This will not deprive any insured of coverage now obtain-

able under the two-item forms, since it will be permissible to endorse the gross earnings forms to exclude ordinary payroll completely or to limit it to 90 days cover or some multiple.

Mr. Snedicker also predicted that there will soon be available in the middle west a premium adjustment type of rent form, useful particularly for insureds with percentage leases. Similar forms have been available in other territories for some time.

Mr. Carter said it would take all day just to relate the problems facing the fire insurance business, so he confined himself to one aspect of the dwelling business—the frequency of small losses. Deductible coverage in the middle west has simply not sold. The alternative approach, Mr. Carter said, is the plan now in effect in Kansas and Oklahoma, which he referred to as the "buy back" deductible.

There is a \$50 deductible applying to all losses in the basic form in these states. This may be removed by endorsement for a flat annual charge of \$18, subject to the term multiples. For the first time in the middle west, this charge is flat and has no relation to the amount of insurance, rate or premium.

Raise Rates On Small Amounts

Rate adjustments in these states mean, in effect, that an insured carrying about \$10,000 insurance on his dwelling can buy full coverage for about the same premium as before, while those with smaller amounts of insurance must pay considerably more for full coverage. This, Mr. Carter said, is in line with the demonstrated fact that small losses have caused very poor experience on low valued and often underinsured dwellings.

William Peet, Minneapolis, director of research for Marsh & McLennan there, gave a scholarly and well received talk on risk analysis. He said the fact that a person has been appointed an independent insurance agent or has acquired the right to use some letters after his name does not automatically make him a professional. He said that professionalism must be established by deeds, not words, and involves adherence to a high ethical code and sticking to objective facts.

Lists Four Types of Risk

Discussing risk analysis, Mr. Peet said that there are basically four types of risk: Liability for damages, loss of property, loss of earnings and impairment of public or employee relations. The decision to buy or not to buy insurance against any particular risk is that of the insured, but the insurance man who undertakes risk analysis has the responsibility of assembling and presenting the facts on his exposures.

While there are many methods of making surveys and analyses, Mr. Peet said that some insurance men no longer ask for a prospect's policies, contenting themselves with analyzing the exposures and recommending what insurance should be carried. This has been successful in many cases. There is also a growing school of thought that premium cost should not be discussed in an analysis. Mr. Peet said he is not sure whether he agrees with this belief, but he has seen it work in practice.

No insurance man can ignore multiple line insurance in risk analysis, Mr. Peet said. Insurance is insurance and exposures are exposures, and a client must be served right down the line.

'One-Stop' Agents Must Handle Automobile

(CONTINUED FROM PAGE 1)

commissions been affected and how much more are they likely to be? Up until last year the average commission rate level had risen two points in 10 years, mostly in the fire and inland marine field.

In recent months a few commission reductions have been made in inland marine. They have also been made by some companies in some territories on some parts of the auto coverage. On the casualty portion of the auto coverage some companies in some areas have gone from 18 to 15%. The reduction of commission from 18 to 10% on class 2 business is more general.

To be more specific, what has the commission reduction meant in the way of dollars on a class 2 policy? Taking 1952 or 1953 rate change dates and the latest rate changes in 1956 or 1957; and comparing 2C with class 2C where class 2C existed in 1952-53, or comparing 2C with class 2 when there was no 2C in 1952-53, this is the score as of March 1:

Gives Commission Reduction Figures

In New York City the producer gets \$8.56 less than in 1952. In Chicago, he gets \$2.50 more. In Fresno, he gets less. In Springfield, Ill., he gets 26 cents less. In Albany, he gets \$3.78 less. In Buffalo the figure is 36 cents less. In Los Angeles it is \$9.70 more.

The possibilities for the future appear to be this, 10% for class 2, perhaps countrywide and certainly in high premium states and very very likely in compulsory auto states. The 15% for other casualty coverages of auto is not apt to become a general national pattern—except (1) in areas with very bad losses and (2) in compulsory states. As respects compulsory, anything can happen, including no commission at all, as, at times in the past, in Massachusetts.

Class 2 represents a special case for both the agency companies and their agents. They are sons of present clients

and they are themselves future clients. The real problem is a market. Unless you can provide at least placement service, how are you going to build for the future and, even, protect your present business?

If you cannot put class 2 business through as regular business, you already are putting them into the assigned risk plan, where the commission is maximum 10%.

Two kinds of companies are cutting auto commissions: Those that want to get rid of business in this way, and

those that want to hold the business in this way. For the purposes of the agent and his future, this is the important distinction between companies.

Shanosky Elevated By Unity Fire & General

Leo C. Shanovsky has been elected assistant vice-president of Unity Fire & General and a director of the company. He was in the underwriting department of Royal-Globe prior to joining Unity.

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Gurash Analyzes Auto Coverage, Market Trends

(CONTINUED FROM PAGE 2)

comprise 70% of the insurance buying public; while the agency system has catered to the higher and middle income groups, agents have largely failed to exploit this tremendous new market; the aggressive sales effort and coordinated advertising campaigns of the direct writers have outstripped the stock companies."

Giving the reasons that the direct writers can operate on a low premium, Mr. Gurash said: They have attacked the expense side of the premium dollar, and with modern methods of merchandising and mechanization have reduced this factor tremendously; the direct writer has a controlled sales force, which can more easily be directed to the mass market with greater efficiency than the typical traditional agent who not only must sell but also service; the non-agency company because of lack of agency or brokerage pressure can engage in more selective underwriting.

Some possible answers to the agent-company operations in order to compete with the direct writers, Mr. Gurash suggested, are: Both the agent and the company must examine new market techniques and accept modern methods of operation; the agent will have to reduce the expense element and have the company take over certain handling procedures which will thus release the agent for a more concerted sales effort; it follows that if the agent is going to have the company perform certain of these services, his commission would be reduced.



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COMMENTS

TRENDS

OBSERVATIONS

Umbrella, Difference-In-Conditions, And Other New Patterns Provide Giant Limits, Fill Gaps, And Effect New Combinations

By DAVID PALMER,
Vice-President Lumley,
Dennant & Co., New York

"Package deals," "cradle-to-the grave," "umbrellas," "difference in conditions"—these terms are flying around loosely in abundant confusion. What do they mean? Who writes them? Who carries them? Why? A concise answer to these questions is about as easy to obtain or to give as the answer to the proverbial "how long is a piece of string?"

Before even attempting to find the answers, it will be well to examine some of the trends that are affecting the handling and approach to the insurance programs of the medium and large commercial and industrial risks.

Only by examining these trends can we see the underlying reasons for the steadily increasing supply and demand of these types of contracts.

Provided Powerful Stimulus

a. The emergence, nearly a decade ago, of the manufacturers output policy followed by other broad property insurance packages has provided powerful stimulus to the insurance buyer to seek equally broad protection for all his exposures in both property and casualty insurance. "If I can obtain all risks coverage on merchandise away from my premises why can't I obtain the same coverage on my premises? Why can't I obtain the same cover for buildings, for machinery, for U & O?" The old "named perils" approach of purchasing coverages for fire, burglary, water damage and for other exposures that might apply to a particular risk (e.g., earthquake on the west coast) is gradually being discarded. No longer does insured ask himself "what perils should I insure" but rather "how few exclusions must I accept in my all risk program."

Must Maintain Rock-Like Security

b. It is the prime duty of the insurance business and the insurance departments that supervise the business to maintain absolute rock-like security. At the same time, it is often true to say that this vital need to maintain security acts as a brake on the desire to experiment with new forms of insurance and deters the departments from approving any radical departures from established patterns. Many insured realize that this inherent conservatism has never been so marked in British insurance. London Lloyds, in particular, has owed its reputation over the years as much to its willingness to pioneer new types of insurance as it has to its security. Many of Lloyds underwriters' "rash and irresponsible" dabblings of the past are the standard coverages of today. Furthermore, the surplus line

laws of most states prohibit non-admitted insurers from offering or competing on standard filed forms of cover and so further incentive has been given to the non-admitted market to develop broader and more flexible contracts than the admitted market is willing or able to offer. For these reasons the tailor made policies are generally associated with the London market.

Led To Growing Stature

c. The increasing complexity of insurance has led to the steadily growing stature in industry of the insurance manager, one of whose principal duties is to obtain for his corporation the widest possible protection so that whatever unusual casualty befalls, his program is not found wanting.

d. There has been an increasing interest in planned self insurance. Availability of Chubb's deductible fire plan, various self insured workmen's compensation plans and others have led to the understanding by management that a degree of self insurance is often not only of direct financial benefit but also provides a healthy stimulus for loss prevention and safety programs. Furthermore, buyers have been quick to realize that broader protection can often be obtained where insured is willing to assume a reason-

Heart Attack On Job Earns Full WC Benefits In Ind.

Indiana appellate court has ruled the survivors of a worker suffering a fatal heart attack on the job can receive full workmen's compensation. The court ruled 5-1 in favor of the survivors of John Dykes, who suffered a fatal heart attack while working for U. S. Steel in Gary on Sept. 7, 1954. The Indiana industrial board awarded his widow full death benefits of \$30 a week. U. S. Steel appealed and the appellate court affirmed the award. Judge Harry Crumpacker, in dissent, said the court "has taken the final step in covering the workmen's compensation act into an accident insurance policy." Justice Crumpacker said evidence showed the heart condition was chronic and the fact that the attack occurred during work should not justify the award. "It is high time that the courts of last resort in this state get back on the right track," he wrote.

The majority ruling, written by Justice James Cooper, noted conflicting medical testimony on whether the attack was the direct result of Dykes' job. But the court cited a previous appellate court decision that the WC act "should be liberally construed" and that the court has no right to weigh the evidence presented to the board.

able retention. Since most (but by no means all) of the contracts we are reviewing involve a degree of self insurance, it is perhaps understandable that the interest in them is sometimes more marked among insured than among producers, since the latter are naturally reluctant to promote self insurance.

e. Exposures and needs, even within any one industry, vary so widely that standard forms, centralized rating procedures and bureau rules cannot always meet particular requirements and this, again, leads to the demand for a freer market and judgment underwriting.

Complain About Diverse Rules

f. Many insured complain that the number of diverse rules and regulations in the 48 states means that a policy for insured with nationwide exposures becomes a document of almost ludicrous complexity. Myriads of confusing endorsements, varying premium discount tables, differing rate modifi-

cations, endorsements amending other endorsements can all combine to confound even a trained legal mind.

Many caustic and amusing comments have been handed down from the bench when policies have had to be unraveled in court. "If the insurer had deliberately set out to confuse the policyholder, it is doubtful whether he could have done a more effective job."

The old concept of a simple contract expressing the intent of the parties has been buried in a welter of paper. This has added to the interest in tailor made contracts which, by refreshing contrast, are usually masterpieces of simplicity. In one case in our experience, the entire insurance for liabilities, builder's risk and contractors' equipment on a major overseas project were covered by two insuring agreements and 10 clauses covering one sheet of foolscap in normal type.

g. The poor underwriting results suffered by the domestic insurance market as a whole in the last two

(CONTINUED ON PAGE 24)

Comments On N. Y. Supreme Court Ruling Denying Salvage Rights To Reinsured

Thomas L. Lawrence, associate counsel of New Amsterdam Casualty, has criticized a ruling of Justice Benvenista of the New York supreme court denying that company salvage rights in connection with a contract whereby Preferred Accident reinsured New Amsterdam.

Reviewing the decision, Mr. Lawrence stated: "Throughout the history of compensable suretyship in the United States, for more than 60 years up to 1940, salvage had been treated by the surety industry as a simple debit-credit item. In almost every account exchanged between reinsurer and reinsured this salvage item appeared without question as to its propriety. Not one court decision, federal or state, classified salvage as other than an ordinary debit-credit item prior to 1940 when American Surety took action against the liquidator of Guardian Casualty.

Reinsured Original Risks

"Prior to its failure in 1934, Guardian had reinsured original risks of American Surety. The latter had written qualifying bonds for Guardian. Failure of Guardian precipitated losses under the bonds, which American Surety paid, and when it filed claims against the liquidator, American Surety sought to set off salvage still in its possession that belonged to Guardian. The set off was denied because it was held the account lacked mutuality, which means debts held in the same right, due to and from the same parties, in the same capacities and arising out of the same transactions. The court held that the reinsurance contract created a trust relationship and said: 'In relation to any salvage collected to recoup losses on specific risks under the reinsurance contract, the reinsured was a trustee for the

reinsurer as to moneys in its hands belonging to the latter or to be applied to a specific purpose.'

"In another case in 1941 Hartford Accident was denied rights to set off salvage under the ruling in the prior case.

Results were Shocking

"The results of these decisions were shocking to the bonding industry, and underwriters were left in doubt and confusion, since protection under reinsurance is a major factor in determining the acceptance or rejection of a surety risk. There never had been any question among surety underwriters that the insurer and its reinsurer should share recoveries proportionately. The disturbing news to them was that they might no longer adjust and settle their accounts as they previously had, even with approval of the courts in earlier liquidation proceedings.

"Surety companies therefore determined to clarify their 1930 reinsurance contract and did so in 1941. In this revision they agreed to settle the account first and then to distribute any remaining balance as their respective interests might appear. The revised contract was designed to cover completely the reciprocal rights and liabilities of the contracting parties and to remove all doubtful features alleged to be contained in the 1930 contract. A major provision was the appropriation clause:

"The reinsured is hereby authorized to appropriate at any time all or part of the share of the reinsurer in all such collateral security, as well as the proceeds thereof, rights of action, and of all such salvage or recovery and apply the same in payment or on account of any indebtedness or of any

(CONTINUED ON PAGE 23)

San Francisco I-Day To Recall 1906 Fire

San Francisco's Insurance Day, April 18, will commemorate the anniversary of the city's great fire of 1906. The annual event is sponsored by Pacific Board, the chamber of commerce, and the Commercial Club. William B. Miller, president of Pacific Board, is program chairman and Alan K. Browne, chamber of commerce president, will preside.

Principal speaker will be J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies and general manager of Nuclear Energy Liability Insurance Assn., who will outline the current crisis brought on by inadequate rates in a talk entitled "Time To Be Bold."

Zurich Opens In Kansas City, Names C. R. Goff

Zurich is opening an office in Kansas City, Mo., under the management of C. Richard Goff. Mr. Goff has been in the field for 11 years in Kansas and Missouri. He will be assisted by John F. Campbell, field representative, and Thomas J. Maloney, underwriting supervisor.

The new office, in the Finance building, 1009 Baltimore avenue, will service Kansas, western Missouri, and Oklahoma.

Great American Names McCartney At Dallas

Great American has appointed Wright McCartney manager of the southwest departmental office at Dallas.

Harry H. Haucke has been named executive state agent in charge of production and administrative assistant to Mr. McCartney.

Leiste Associates Formed As New Excess Line Agency

Leiste Associates, a new agency devoted principally to the handling of excess lines, has been opened at 116 John street, New York. George Leiste, president, has been vice-president and New York manager of Insureds Facilities Corp., excess brokers, since opening the branch in 1954.

Leiste Associates will handle all the excess lines formerly written by Jaffe Agency. The Jaffe office will work in cooperation with Leiste Associates, and to facilitate such matters for Jaffe brokers, a direct telephone tie-line is being maintained between the two agencies.

Buffalo Appoints Brescia Claim Supervisor On Coast

Anthony J. Brescia has joined the Pacific department of Buffalo as casualty supervisor. He was formerly with Liberty Mutual as service manager and was a casualty underwriter with Michigan Mutual at New Haven. He spent three years with General of Seattle in Los Angeles as casualty supervisor.

Fire, EC Losses Rise In N. Y.

New York Board reports that in the metropolitan area for which its committee on losses and adjustments is responsible for loss assignments, in February the number of fire, extended coverage and sprinkler leakage losses increased in number 83.4% and in amount 25.1%. There were 1,332 losses for \$2,635,473 in February, 1957. For the first two months, the number of losses is up 66.7%, to 2,887, and the amount 6%, to \$5,661,695.

Hamilton, Stahl Made Travelers' Officers

Travelers has appointed Erskine E. Hamilton assistant secretary home office services department, and Raymond W. Stahl assistant secretary casualty claim department. David W. Cornwell has been named superintendent supply division, and James J. Gothers assistant superintendent.

Mr. Hamilton joined Travelers in 1932 at Hartford. He transferred to Washington, D. C., and became an assistant office manager in 1937. He went to the home office supply division in 1947 and in 1948 was named assistant superintendent.

Mr. Stahl went with Travelers in 1948 as an adjuster at Pittsburgh. In 1951, he was promoted to line adjuster there and to supervising adjuster in 1953. In 1955 he was appointed an examiner in the casualty claim department at the home office.

Mr. Cornwell has been with Travelers since 1930 as a supervisor in the supply division. In 1947, he was promoted to assistant superintendent.

Mr. Gothers started his insurance career with Travelers in 1928. He has also served as administrative assistant in the supply department.

Urges Graded Fire Rates As Cure For Difficulties

Philip Richenburg, Boston general agent and insurance attorney, has stated in the bulletin of Boston Board that graded dwelling fire rates provide a more realistic approach to taking the business out of the red than any campaign to have the homeowner insure to value.

Mr. Richenburg contends that insuring to value is essential if the dwelling fire insurance business is to be sound financially, but that the public is too smart to believe the risk of a total loss is sufficiently likely to justify paying the same rate for full or approximately full coverage that is charged for amounts of coverage within which losses, if they occur, are most likely to fall.

This is especially true since the public is conditioned to obtaining higher amounts at lower rates in almost every other form of insurance.

He conceded that the idea of graded dwelling fire rates may not be new and may have even been tried and abandoned, but added that there may be different conditions today.

"For a number of years we have had spiraling dwelling valuations. Now we have encountered the barrier of a slump in our economy. This is hardly a time to expect the public to be as receptive to insuring to value—increasing insurance costs—as it was a year or two ago," he asserted.

Pacific Indemnity Elects C. H. Crawford Chairman

C. H. Crawford of Los Angeles was elected chairman of Pacific Indemnity. He had been president of Swett & Crawford before his retirement from that organization in 1956.

American Advances Garner

J. Herbert Garner has been made underwriting manager of the marine department of American at Philadelphia. He began in insurance with North America as an ocean marine underwriter in 1937. In 1947 he joined American as an underwriter, and in 1952 was promoted to underwriting supervisor.

Jeremiah E. Duffy has retired as secretary and treasurer of Francis C. Carr & Co., New York City brokers, after 43 years with the company and its predecessor, Rodgers & Carr.



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Editorial Comment

1958 Expected To Be A Better Year

There is now a growing belief that the fire and casualty companies generally are going to be able to exhibit a definitely better underwriting result than was achieved in 1957. Those who are inclined to this view have been influenced by the fact that the underwriting results of the last quarter of 1957 were by far the best of any of the other quarterly periods of last year, and that this same experience is continuing through the first quarter of 1958. Most company officials say that the underwriting results for the first quarter of this year will be encouragingly better than the same period of 1957.

Going further, there is a growing feeling of optimism that the first half year's results may reflect an across-the-board improvement.

The various rate increases which have been put into effect, although smaller than the companies felt to be justified, will be helpful. All companies are underwriting their business much more carefully. In addition, the heavy wave of losses that characterized most of 1957 certainly has receded. As all compilers of loss statistics know, disastrous experience comes in cycles. It is not always possible to explain them. For instance, during 1956 and 1957 companies were being overwhelmed with losses on all classes of business. They were being inundated, not just with staggering automobile losses, but with a very much higher than normal experience on what are usually regarded as the best classes of business.

This situation has undergone some change. A much more average loss ratio has characterized the operations during the last few months, and shows every appearance of continuing. This does not mean that company officials are anticipating a complete return to a so-called normal loss experience in 1958, but it does mean that most of them feel that the underwriting outlook has changed for the better, and that trade profit for the year will, in most cases, be above 1957.

On the other hand, investment prospects are not so encouraging for companies with large common stock portfolios. Industrial companies, in fact business in every category, may not be up to the levels of last year. The close reader of the financial pages of newspapers, magazine articles, and the observations of financial forecasters, has noticed that most business heads are prophesying that their results for this year may be somewhat under the 1957 showings, but not equal to, or above them. In other words, they hope that this year may be almost as good as last.

If they are right, the prices of the average stock listed on the New York Stock Exchange may decline somewhat from their present levels. There are few who are willing to predict that they will rise. This being the case, the investment portfolios of the fire and casualty companies heavily committed to common stock could be worth

less at the end of this year than they were at Dec. 31, 1957. Thus, while the underwriting picture could improve, common stock values could be in lower price ranges by the end of the year. But summarizing, there is certainly a more optimistic feeling about the probable over-all results for 1958 than there was toward the close of last year.—Howard J. Burridge.

Personals



W. E. Unzicker

ganizers of Afco, New York, has been named trea-



George Faunce III

George H. Tryon, assistant technical secretary of National Fire Protection Assn., has received the 1958 AMVETS award for outstanding contributions to the nation in advancing aviation for defense purposes. Mr. Tryon, secretary of the NFPA aviation committee, has pioneered in the development of aircraft and airport fire prevention and fire fighting practices.

Roy E. Budde, vice-president and director of Badger Mutual, Milwaukee, was married recently to Jean Albee of Bloomington, Ill. He was manager of the company's Chicago service office for five years.

Deaths

M. THOMAS VALASKE, 46, secretary and general counsel of American Casualty, died. He joined the company in 1949 at Nashville as regional counsel, went to the home office in 1955 as general counsel, and became secretary in 1956.

JOHN E. WOODWARD SR., 67, organizer and senior partner of John E. Woodward agency, Richmond, Va.,

Willard E. Unzicker, president and one of the or-



E. L. Rickards Jr.

surer of America Fore. He is succeeded at Afco by George Faunce III, former executive vice-president. Edward L. Denton Jr. becomes executive vice-president of Afco, replacing Mr. Faunce.

died at Miami Beach. He established the agency in 1913 and was a past president of Richmond Life Underwriters Assn. and Richmond Assn. of Insurance Agents.

E. L. RICKARDS, 78, retired branch secretary of National Auto Theft Bureau and National Automobile Underwriters Assn. at Chicago, died at Colorado Springs where he had been making his home. He had been in the insurance business from 1907 to 1949, starting in the local agency of his father-in-law at Deadwood, S. D.

He was later with Sovereign Fire of Canada and Jefferson Fire as special agent, and then for two years was special agent of North Deutsche. He joined Automobile Protective & Information Bureau in 1916 as secretary and manager, and then about 10 years later when National Automobile Underwriters Assn. set up an office in Chicago, he became branch secretary of that organization also.

Mr. Rickards made a considerable contribution to the science of the recovery and identification of stolen automobiles.

J. T. PATTERSON, 56, assistant secretary of Montaldo agency, New Orleans, died at Longview, Texas.

HERBERT S. LETERMAN, 62, of the Leterman & Nusbaum agency of Richmond, Va., died.

PIERCE COPELAN, 57, adjuster of General Adjustment Bureau at Athens, Ga., died in the hospital at Greensboro, Ga., after a long illness.

WILLIAM J. SWAIN, 86, former Delaware insurance commissioner, and a member of the state industrial accident board for more than 30 years, died at his home in Bridgeville.

LIZZIE P. COLEMAN, 69, partner in the Coleman agency, Mt. Sterling, Ky., died. She had been in the business for more than 50 years.

MISS ETHEL ELIZABETH GASS, 68, founder of E. E. Gass agency died at her home in Washington. She was a charter member and president of Insurance Women's Club of Washington.

ALVIS S. BENNETT, 86, retired agent and former member of the Kentucky workmen's compensation board, which he served as chairman for four years, died at Owensboro.

MRS. JOSEPHINE WOOD, 76, wife of Donald M. Wood, a partner of Childs & Wood agency, Chicago, died at Wesley Memorial hospital there. She had been in ill health for some time.

G. A. BARNES, 77, agent at Somerset, Ky., for 31 years, died at Somerset hospital.

HENRY B. RATHWEG, 69, who formerly owned the Rathweg agency of Dayton for 30 years, died.

CHARLES B. JENNINGS, 75, retired member of the Hutchinson, Rivinus & Co. brokerage firm at Philadelphia, died there. He had been with the firm more than 50 years when he retired in 1953.

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Great American Has Official Changes In Merger Preparations

Great American has made official staff changes in connection with the previously announced consolidation of companies as of Dec. 31, 1958.

Daniel R. Ackerman continues as chairman and chief executive officer of all the companies.

G. F. Michelbacher has retired and William E. Newcomb was elected to succeed him as president of Great American Indemnity, thus making him president of all companies in the group.

William J. Ahearn was appointed executive vice-president of all companies and will coordinate functions with Charles M. Close, executive vice-president of all the fire companies. Mr. Ahearn will direct a specialized production, underwriting and servicing facilities in connection with casualty and bonding business.

A. J. Weckerle and William C. Marrin were appointed vice-presidents of Great American, Great American Indemnity, American National Fire and Rochester American. Ralph C. Ainslie, Willard D. Frampton, Arthur P. Smith, Howard A. Schmidt and Richard D. Frisbee were appointed secretaries of Great American, American National and Rochester American. William G. Fettis was appointed secretary of Great American and American National. Earl J. Everett was appointed secretary of Great American, Great American Indemnity and American National. Leonard W. McChesney and Alfred O. Aune were appointed assistant secretaries of Great American, American National and Rochester American.

The remaining officers of Great American Indemnity were appointed in similar capacities, as officers of Great American and American National. Leslie C. Cox and Scott Coleman retired and were not reappointed as officers although Mr. Cox will continue to serve in an advisory capacity on fidelity and surety problems.

Mr. Newcomb went from the western department in Chicago to the home office as executive vice-president of all the fire companies and vice-president of Great American Indemnity in 1952. He was elected president of the fire companies in 1955. He is chairman of American Insurance Assn.

G. F. Michelbacher joined the group in 1926 to launch Great American Indemnity. He became president in 1947

and continued in that capacity and also as vice-president of the fire companies until his recent retirement. He will remain as a director of the New York companies of the group.

Mr. Ahearn has been executive vice-president of Great American Indemnity since 1947 and vice-president and secretary of the fire companies since 1950.

Mr. Weckerle was formerly with National Bureau of Casualty Underwriters. He assumed charge of the group automobile department in 1956 and continues in that post. Mr. Marrin has been head of the special risk department of Great American Indemnity since its inception in 1956. He will continue to serve as a specialist in large and unusual risks. Mr. Everett was in the metropolitan claim department of Great American Indemnity and continues there. Mr. McChesney was with the fire companies in the east before he became executive agency superintendent in the Pacific department. Mr. Aune has been a special agent and adjuster in the farm and hail departments in the western and Pacific territories and is executive assistant of the farm and hail department in Chicago. Mr. Fettis joined Great American Indemnity as an inspector. He has been an assistant secretary in the home office bonding department, and now assumes full administrative charge.

Careers Of Others Named

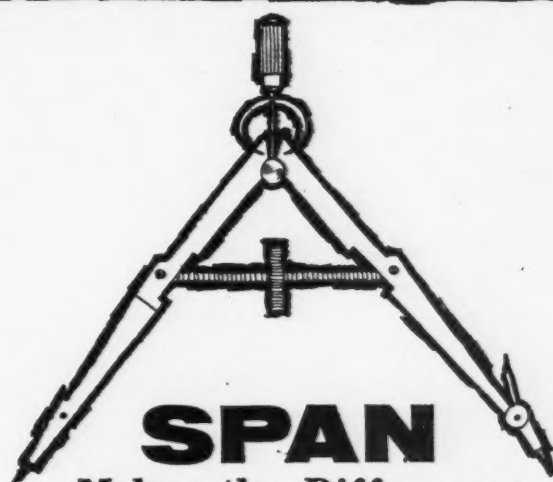
Mr. Ainslie has been in the Pacific department and in the field. He will continue in production in the Pacific department with augmented multiple-line responsibilities. Mr. Frampton began his career at the home office in the inland marine department. Later he went to the Pacific department where he has had administrative responsibilities. Mr. Smith, after service in the field with Great American, went to the home office in 1951 as an agency superintendent. He will continue supervision of the southeast department. Mr. Schmidt has been in the home office and Pacific department as an inland marine executive. He has had supervision over all classes of multiple-peril package policies under the direction of Vice-president R. A. Lydecker, and will continue in multiple-peril insurance. Mr. Frisbee was in the field in New York and Pennsylvania, and became agency superintendent in the home office with jurisdiction over fire and marine business in the middle states department. He assumes supervision of the fire insurance business in the eastern department.

Mr. Cox was a claim man in the Pacific department of Great American Indemnity and later went to the home office bonding department. He will now serve as consultant. Mr. Coleman has been secretary of the fire companies in charge of business in the eastern department.

Springfield Files For Million More Shares

Springfield F&M. has filed a registration statement with Securities & Exchange Commission covering 1 million shares of its common stock, par value \$2. The company proposes to offer these shares in exchange for shares of the capital stock of Monarch Life at the rate of 1 1/4 shares of Springfield for each share of Monarch.

First Boston Corp. and Kidder, Peabody & Co., as dealer managers, have agreed to use their best efforts to form and manage a group of soliciting dealers, including themselves, to solicit tenders of Monarch stock.



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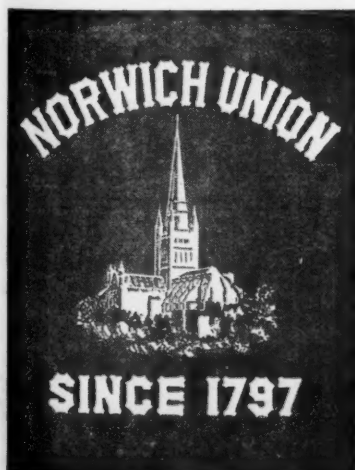
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Willcox & Co. Names H. M. Hamilton V-P

Herbert M. Hamilton Jr. has joined Albert Willcox & Co., reinsurance brokers of New York City, as a vice-president. He had previously been in charge of underwriting with Christiana General. Mr. Hamilton joined Indemnity of North America in 1951 in the auto and general liability department. He later headed the rating section and then became an underwriter in the casualty special risk department.

Travelers Names Snow Manager At Atlanta

Travelers Indemnity has named Charles G. Snow manager for fire and marine lines at Atlanta, succeeding Henry M. Ladage, who has been granted a leave of absence upon the advice of his physician.

Mr. Snow joined Travelers in 1951 as a field supervisor at Jacksonville. The following year he went to Dallas in the same capacity. In 1955 he was appointed assistant manager at Atlanta.

Mr. Ladage joined Travelers in 1927 as assistant manager at New Orleans. In 1929, he went to Dallas in the same capacity. He was appointed manager at Atlanta in 1934.

The New York chapter of **Society of Fire Protection Engineers** will hold a joint meeting with the Greater New York Safety Council on special fire and nuclear hazards at the annual safety convention and exposition of American Society of Safety Engineers at the Statler hotel, New York, April 15.

Richter, Filipowicz Are Named Managers By Aetna Casualty

Harold M. Richter, manager of Aetna Casualty's Milwaukee office, has been named manager at Cleveland, succeeding C. L. Krum, who retired April 1. Robert J. Filipowicz, assistant superintendent of the Milwaukee claim department, has been promoted to manager there.

Thurman J. Tippy, superintendent of underwriting, has been advanced to associate manager at Cleveland.

Mr. Krum joined Aetna Casualty in 1910 and has spent his entire career in Cleveland. He has been a member of the executive committee of Ohio Insurance Federation for 10 years, and is a past president of Ohio and Cleveland Assns. of Casualty & Surety Branch Managers and of Cleveland Underwriters Assn.

Mr. Richter joined the company in 1936 and became manager at Grand Rapids in 1950, going to Milwaukee as manager four years later. He is president of the Wisconsin Casualty Managers' Assn.

Mr. Filipowicz joined Aetna Casualty as a claim representative at Detroit and subsequently went to Milwaukee as claim supervisor. He became assistant superintendent of the claim department in 1946. He is a former secretary-treasurer of Claim Adjusters Assn.

Mr. Tippy joined the company in Cleveland in 1920. He served as office manager and cashier at Akron and returned to Cleveland as superintendent of the liability department. He is a former chairman of the Cleveland Assn. of Casualty & Surety Managers.

GAB Makes Staff Changes In Fla., Ga. and Conn.

General Adjustment Bureau has appointed D. C. Doty manager at St. Petersburg, succeeding Stephen Ring, resigned. He was manager at Valdosta, where R. G. Cross has been appointed adjuster-in-charge. Mr. Cross was formerly at Columbus.

Lawrence W. Wason has been named manager at Hartford, succeeding the late Charles H. Ferguson. Mr. Wason joined the bureau in 1927. He served at Boston and New Haven and later at Hartford as senior adjuster.

Lorain (O.) Claim Assn. Elects

Newly elected officers of Lorain County Assn. of Claims Agents are: Donald J. Kehoe, Western Adjustment, president; Russell V. Meyne, General Exchange Ins. Corp., vice-president; Robert C. Mampel, Lovell & Pascoe, secretary; and Raymond L. Fillman, Western Adjustment, treasurer.



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Comments On N. Y. Court Ruling On Salvage Right

(CONTINUED FROM PAGE 18)

balance of indebtedness due from the reinsurer to the reinsured, whether arising out of reinsurance transactions or otherwise."

"The first test of the validity of the revised reinsurance agreement came in 1957 in the case involving the contract between Preferred Accident, which failed in 1951, as reinsurer, and New Amsterdam as reinsured when the latter in its action against the liquidator sought the right of set off of salvage."

"Influenced by the previous cases cited, Justice Benvenge denied the validity of these provisions and ruled that the revised contract did violence to the established public policy of New York. The appellate division and the court of appeals both brushed off the matter by the convenient route 'affirmed.'"

'Adopted Unfair Argument'

Underwriters 7-half Ex. on 9 x 13-half

In criticism of this decision Mr. Lawrence observes that "Justice Benvenge adopted the unfair and spurious argument of the attorneys for the liquidator. They created confusion about the dates and purposes of the reinsurance contract and urged upon the court that our main purpose was to establish preference over other creditors."

"The supreme court's opinion bristles with unsupported presumptions that do not square with the true and uncontradictable facts. It says that New Amsterdam and Preferred made their reinsurance contract in March, 1950. They actually executed their basic reinsurance contract in 1941, 10 years before Preferred failed, and an autographic copy of the 1941 contract was before the court. It was renewed in 1950. Nearly all the items in question arose under the 1941 contract."

"The opinion holds that New Amsterdam paid reinsured losses under the 1950 contract for which Preferred reimbursed New Amsterdam before the liquidation order was ended. Every loss involved arose and was paid under the 1941 contract, and every salvage item related to those losses. The item under the 1950 contract was a small unearned premium. These incorrect statements were stressed so as to justify the erroneous conclusion urged by the liquidator that the reinsurance contract was made 'in contemplation of insolvency.'"

"The set off provisions in the reinsurance agreement were not entered into in contemplation of insolvency or bankruptcy. What business executive

would deliberately purchase and pay for a protection contract from a corporation known to be in, or believed to be approaching, financial difficulties? How could he possibly know the imminent danger 10 years ahead of time?"

"The court ruled that the liquidator was seeking only the salvage collected by New Amsterdam in those cases where, prior to the liquidation ordered, Preferred had paid its proportionate share. However, New Amsterdam's right to that salvage and its disposition was created by a contract made 10 years before Preferred failed, and was operative with the effective date of each reinsured risk. The rights and obligations of the contracting parties, actual and prospective, were fixed on those effective dates. How can it be judiciously declared that the insolvency of either party, 10 years later, operates to destroy the efficacy of that contract? There is nothing in the state insolvency or the federal bankruptcy laws, or in the court decisions that says so."

Intended To Clarify Relationship

Mr. Lawrence further states that "none of the provisions of the reinsurance agreement of 1941 were designed to circumvent the rulings in the two cited cases. These provisions were intended and designed to clarify the relationship of the parties so as thereby to restore the validity of their longstanding and recognized bookkeeping practices. They were designed, moreover, to show that any competent parties may create, by means of a suitably worded instrument, a debtor-creditor relationship as well as a trust relationship; that a trust relationship created by writing can be changed to that of debtor-creditor for later purposes if the contracting parties so choose, when dealing with the same or any other subject matter."

"The set off provisions in the reinsurance agreement do not, and were never intended to, subvert the public interest in insolvency proceedings or otherwise. They fix the rights and obligations of the contracting parties long before, and without the remotest contemplation of insolvency. The public policy of any state may not be so twisted as to destroy fixed contractual rights under one particular contract, while recognizing such rights under all the other many related contracts. No state should pass a law and no judicial officer should construe a law so as to

impair the obligations of valid contracts. These contracting parties were among the creditors whose rights intervened by virtue of the insolvency act. Different classes of creditors are recognized in all insolvency and bankruptcy proceedings, and the fixed superior rights of one class do not destroy equality among all creditors."

"The mere fact that one particular contract is found by court, because of its distinctive wording, to create a trust relationship between those two contracting parties does not change or alter in the least respect the essential character of the salvage. The contract created a new relationship and to say that contracting parties may not thus change their relationship by a suitably worded agreement is to say that freedom of lawful contract, guaranteed by our fundamental laws has been

nullified in our constitutional system of government. Such a ruling touches the bottom depths of absurdity. It is devoid of rationalization. It is ridiculous," Mr. Lawrence declares.

American Surety Names

Boll To St. Louis Post

American Surety has appointed Richard J. Boll superintendent of bonds at St. Louis. He joined the company in 1952 and became a special agent that year.

United States Fire has elected John C. Newsome a director and a member of the finance committee. He is a general partner of Tucker, Anthony & R. L. Day, members of the New York and Boston stock exchanges.



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Accident & Sickness

A&S Branch Is Opened By American Casualty

American Casualty opened its first A&S branch at Los Angeles, under Harry Anderson, manager.

Mr. Anderson, who was A&S production manager at the home office in 1950, returns to the company after eight years with Occidental Life, first as home office agency supervisor, then A&S manager, and recently a general agency supervisor. He is past president of Los Angeles Assn. of A&H Underwriters.

Peter J. Napoleone is assistant manager in charge of underwriting, and Lawrence J. Leslie is in charge of claims.

A&S Underwriters Hear M. D. On Gastro-Intestinal Woes

Problems encountered in x-ray diagnosis of gastro-intestinal disorders were discussed by Dr. Bert Levin, chief radiologist of Michael Reese hospital, Chicago, at the March meeting of Illinois A&S Underwriters Forum, held at the hospital.

X-ray pictures alone cannot be relied upon completely for diagnosis in this area, because movement—or lack of it—is often very important, Dr. Levin pointed out. The organs of the gastro-intestinal tract are normally in movement during the digestive process. For this reason, fluoroscopic examination must be used in conjunction with x-ray.

Two important factors for successful diagnosis are accurate knowledge of the normal formation and functions of the various organs and complete absence of food or waste materials in the system. An abnormal shape is often the only sign of disease, while food particles or waste material in the tract could obscure any abnormalities.

Examining this area by x-ray is more difficult than the respiratory tract, which Dr. Levin described to the group at a similar meeting last year, because it is necessary to use an artificial contrast agent instead of the air which is normally present in the lungs. The most efficient agent is a barium solution.

Len Teeuws Appointed By R. M. Tolley & Associates

Len Teeuws, formerly sales consultant in health and welfare plans for Continental Casualty in Chicago, has been named consulting supervisor mid-west region of Russell M. Tolley & Associates, group health, welfare and pension administrators and consultants with main offices in Indianapolis.

Offers Optional Accident Cover For Football Players

Optional accident insurance for school football players is provided in a new student accident policy offered in most states by the Kemper group. Accident benefits are \$3,000 for accidental death, \$7,500 for dismemberment, \$3,000 for medical reimbursement and \$100 for dental benefits, with premium rates at \$2 for grade school students, \$3 for high school students and \$2.50 for school district students. Term of coverage is nine months.

Protection for football players at the school's option requires an additional premium of \$3.25 per player for try-out and \$8.50 for those who make the squad. Medical reimbursement is limited to \$500 with a \$25 deductible for each football injury and with a dental benefit limit of \$50.

Ind. A&S Probers Submit First Recommendations

Legislation to strengthen licensing laws for agents, to require standard policy forms, and to eliminate the provision for automatic approval of policy forms or rates if the commissioner does not object within 30 days are the first three recommendations to come from the joint legislative committee investigating hospitalization insurance in Indiana.

State Senator Townsend, committee chairman, reports that the legislative bureau has been requested to begin drafting the bills at once.

The request in regard to policy provisions is for either standard forms such as required in the fire field or certain basic minimum requirements for all hospitalization policies issued in the state.

Under existing law, the commissioner must approve or disapprove a new policy form, rate, or endorsement within 30 days of its filing. In lieu of such action, the policy, rate, or endorsement becomes approved automatically. The legislation requested by the committee would amend the present law so that the commissioner must approve the filing in writing to the company before the policy, endorsement, or rate can be used.

Sen. Townsend also indicated the three items of legislation requested at this time are only the start of the committee's recommendations.

Continental Cas. Names Bowdring To A&S Post

C. Joseph Bowdring has been named manager of Continental Casualty's A&S office in Chicago. He had formerly been A&S manager at St. Louis. He joined the company at New York as a special risks field man in 1953, and has had experience in that and other lines in the Boston and New York offices and in the Chicago home office.

St. Paul A&S Assn. Elects W. O. Johnson

St. Paul Assn. of A&S Underwriters has elected as 1958 officers William O. Johnson, North American L&C., president; Hale D. O'Malley, Guardian Life, vice-president; Theodore F. Allen, North American L&C., secretary; and Robert Owen, Mutual Benefit H&A., treasurer.

Tex. A&H Assn. Elects; Hears Harrison, Wallace

Texas Assn. of A&H Underwriters has elected the following officers: John Delaney, General American Life, Houston, president; Eugene Armistead, Insuromedic, Fort Worth, and Wm. A. Antonio, vice-presidents, and Elmo Lee, Commercial Travelers Life, Dallas, secretary.

William A. Harrison, Texas commissioner, spoke briefly at the election meeting, expressing appreciation of his associates in the insurance department. Travis T. Wallace, president Great American Reserve, was installing officer. He also discussed developments in the A&H field, speaking of the rapid increase in the number insured from 19 million to 123 million and said that not only has the number of insured and amount of insurance in force increased, but the quality of the insurance has been improved. He asserted that pre-paid medical care is with us and here to stay.

Mr. Wallace emphasized that unless private insurance companies provide

for hospital and medical care of people the government will. He stated there is a group which is consciously working for the socialization of A&H insurance. A second group, he said, is opposed to socialization but is following a course which, if it reaches the natural results, will bring socialization.

He stressed the need for companies providing coverage for impaired risks and declared that the companies should find a solution of the problems of the substandard cases, pointing out the progress that has been made with regard to writing non-cancellable A&H.

Morrison Named In Iowa For Mutual Of Omaha

Louis P. Morrison has been appointed general agent at Davenport, Ia., for Mutual Benefit H&A. He has been district manager at Grand Rapids for E. B. Brink agency of Detroit and has been with Mutual of Omaha since 1952. At Davenport, Mr. Morrison succeeds H. M. McComas who is retiring after 33 years, the last 25 as a general agent in Iowa.

W. Wis. A&H Assn. Meets

Legislation in the last session of Wisconsin legislature effecting the insurance field was reviewed at the meeting of Western Wisconsin A&H Underwriters Assn. at LaCrosse by Assemblyman Kyle Kenyon of Tomah. He also discussed legislative procedure and explained how bills are evaluated before being voted on and why some are withdrawn after being introduced.

A doctor's problems in completing sickness and accident claim forms was the topic of a talk by Dr. L. P. Weinschell at a luncheon meeting of Milwaukee A&S and Life Claim Assns.

Umbrella, Other New Patterns, Provide Giant Limits, Fill Gaps, Make New Packages

(CONTINUED FROM PAGE 18)

years are stimulating retrenchment rather than spurring development of untied forms of cover.

This is the background against which to look at the subject—a buyer seeking the broadest protection, a somewhat cautious and fettered domestic market feeling its way, and the London market willing to meet the buyers' needs and, within reason, being sufficiently flexible to do so.

The fact that these policies are tailor made to suit each insured limits a review of them to broad generalities. It is, fortunately, still possible to examine casualty and property insurance separately although cases are occurring with increasing frequency where both basic types of insurance are combined, particularly in conjunction with a reasonable limit of self insurance.

Umbrella Widely Used

In the casualty field the contract which has become fairly widely known and used is the "umbrella." It provides a single limit of coverage, BI and PDL combined, excess of normal orthodox insurance in the domestic market for comprehensive general liability, products, automobile, employers liability, etc., but excess of a self insured limit or deductible, usually \$25,000 or more, in those areas where the umbrella is broader than the underlying insurance.

One of the most appealing aspects of this contract is the breadth of the insuring clause and the consequently reassuring protection in these claim-minded days for unknown or unrecognizable liabilities. Nevertheless, it is possible to pinpoint specific advantages and selling points:

Cut Indiana Blue Cross Benefits As Substitute For A Rate Increase

A 25% reduction in benefits for individual policyholders of Mutual Hospital of Indiana (Blue Cross) was announced last week. Permission for a reduction in benefits in lieu of an increase in rates was granted Blue Cross as a compromise settlement for a rate increase requested after the first of the year.

Benefits on group policies will not be cut, but rates will be calculated on a basis of experience rating instead of statewide, as formerly. The benefit reduction on individual policyholders and experience rating on groups are designed to eliminate a \$2 million net loss in 1957.

Continental Casualty Promotes Crain, Harrison

Eugene R. Crain has been named A&S manager at St. Louis for Continental Casualty. He was formerly executive special agent for the aviation accident division at St. Louis. He joined the company in 1955.

Hugh M. Harrison has been appointed A&S manager at Detroit. He had been assistant superintendent of the company's commercial division. He joined Continental in 1952 and was soon promoted to midwestern regional sales manager.

Attorney General McBride of Pennsylvania has ruled that state police may conduct inspections of occupied buildings, where there is reasonable cause to believe that a fire menace exists, without the permission of occupants. The only qualification is that such inspections are made at reasonable hours.

—Large single limit of \$1 million or more reduces guesswork over limits. Insured does not have to select a per person limit or a PDL limit.

—Coverage among others for the following exposures not normally included in the primary program: Occurrence BI and PDL, world wide coverage personal injury, libel-slander defamation, false arrest, discrimination, damage to property in care, custody and control, liquor law liability (drum act), malpractice, blanket contractual, advertisers' liability, and fire and water damage legal liability.

High Limit Appealing

Many insured are, of course, able to have some of these exposures written into their basic contracts and to them the principal appeal of the umbrella contract will be the high limit.

A few actual cases show how different facets of this policy have appealed to insured in widely different fields:

a. A major manufacturer has overseas operations with plants, warehouses and sales offices in some 15 countries in Europe, South America and the Far East. With the build-up of his overseas operation and the diversity of insurance available in local markets overseas, the world-wide feature of the umbrella enables insured to have complete confidence that even if his overseas casualty program is inadequate or even uninsured, he is, nevertheless, protected against a catastrophic liability claim.

b. A national chain of hotels found the appeal in liquor law coverage. The Illinois dram act is well known. But

in the last three or four years people have found out the hard way that there are similar statutes in Connecticut, Vermont and New York. How many more states have such "sleeper" statutes that may suddenly come to light?

c. The owner of a number of apartment buildings had his interest stimulated when he was advised of a substantial suit against another apartment operator alleging discrimination.

d. Contractors of all description find strong appeal in the coverage for occurrence PDL, blanket contractual and property in care, custody and control.

An aspect of the umbrella contract which has been the source of considerable discussion is the exclusion relating to failure of a product to perform and loss attributable to faulty design or specification. This exclusion is often known as the "inefficacy clause." The debate that has revolved around this clause is largely one of semantics and has arisen from the difficulty of policy drafters in properly expressing in clear language an intention which is usually readily agreed to and accepted by both sides.

Coverage Was Not Intended

Neither insured nor the underwriter intend the policy to cover claims for a lawn mower that does not cut grass or an insecticide that does not kill insects. Nor is it the intention of either side to insure the loss of use of a defective product.

When, however, one comes to express this mutually satisfactory intention in policy language the problems arise. The exclusion most commonly used reads:

"For repairing or replacing any defective product or products manufactured, sold or supplied by the assured or any defective part or parts thereof nor for the cost of such repair or replacement: For the loss of use of any such defective product or products or part or parts thereof; for improper or inadequate performance, design or specifications."

Exclusion Not So Harsh

Close study of this phraseology shows that it is not nearly as harsh or broad an exclusion as at first reading it appears, and it has proved generally acceptable in this form—with occasional slight modification to accommodate individual situations.

The umbrella has proved to be a very popular form of broad liability protection which is presently carried by many major risks and one which should be drawn to the attention of every corporate buyer.

"Custom built" policies in the property insurance field tend to show a far greater variety than those in casualty.

Within reason there is a market for all risks of physical loss or damage on real and personal property and U & O. To this basic concept an endless list of variations can be applied, and it is safe to say that there are no two identical contracts in force.

Term Is Often Misleading

The term "all risks" is often misleading inasmuch as certain exclusions such as war, wear and tear, loss of market, and atmospheric conditions are still included in almost any so-called "all risks" contract.

At this stage it may be helpful to list a few of the most common variations reflected in these contracts:

a. Cover can be on buildings and/or machinery and/or contents and/or stock and/or U & O, as required.

b. Deductibles can range from nil to

\$1 million or more and can be varied on different exposures. For example, insured might be content with a large deductible at manufacturing premises but only want a small one on transit losses in order to have the service of the insurer in handling losses and recoveries on the latter. Similarly, the underwriter might only grant flood cover with a substantial deductible but give first dollar cover for fire.

c. Aggregate deductibles applicable to the accumulation of losses in, say, a 12 month period, can be used.

d. Where, for capacity, cost, or service reasons insured wishes to maintain existing fire and allied lines insurance, these perils can be excluded from the "all risks" contract which would then be described as a "difference in conditions" contract (i.e., the difference between "all risks" and straight fire and extended coverage).

e. Insurance on buildings and machinery can be for actual cash value or replacement cost and for stock at cost or selling price.

f. Premium can be adjusted on sales or values or any reasonable and equitable basis that dove-tails with insured's accounting methods. Retrospective adjustment features can be included.

g. Transit, inland marine, automobile physical damage and other off premises exposures can be included or not, as required.

h. Contracts can be written for one, three or five years.

Indicates Wide Range

This list of variations indicates the very wide range of flexibility in these covers.

Frequently overlooked by many producers is the vital importance of developing for the underwriter comprehensive information on the exposures involved. This may often entail exhaustive work and effort for both the producer and insured. Nevertheless, it is usually true to say that such work and effort is thoroughly justified in the breadth and price of the resulting proposition. If an underwriter is forced to guess at exposures, he is likely to guess high or to exclude cover for a peril on which he has no information.

Appealing Features Summarized

The appealing features of these contracts can be summarized as:

—Breadth of cover.

—A single simple broad contract which may at times replace scores of existing policies (in one case 138 policies were replaced by a single contract).

—Flexibility to fit exactly the particular insured's requirements.

—Economy of accounting procedures where premium adjustment method and frequency are designed for the individual risk. (The writer is familiar with a number of cases where accounting staff, solely employed on preparation of monthly insurance reports to insurers was able to be released for other work.)

A word of warning. Though "tailor-made" contracts are mainly associated with the London market, the long term interests of the insuring public and the insurance industry are far better served if the admitted and non-admitted markets can complement each other's facilities.

Many Satisfactory Ties Developed

The harmonious interdependence of the British and domestic markets is marked by countless satisfactory ties that have developed over the years through the medium of reinsurance. Occasions are bound to arise when a degree of friction or resentment be-

tween the two markets cannot be avoided because there are undeniably several areas where their activities clash. However, intelligent use of the two markets can keep these occasions to a minimum.

What is the practical application of this line of thought? Take the umbrella coverage as an example. This was conceived as catastrophe protection and not a working cover exposed to normal loss. Nevertheless, some producers have used it as a competitive weapon by depressing the domestic casualty insurer's limits to as low as \$25,000 or \$50,000 on accounts where the normal limit would be \$500,000 or \$1 million, and then obtaining umbrella cover at a price approximating the cost of excess limits.

This practice is reluctantly tolerated by the primary insurers as a matter of competitive necessity, but it is not sound. It exposes the umbrella cover at a level where normal losses can be expected, and it deprives the primary insurer of a block of excess limits premium which may well be an offset to marginal experience at lower levels.

The corollary in property insurance

mainly revolves round the inclusion or exclusion of fire insurance in a "package deal." In the case of major manufacturing risks the long term interest of insured and insurers is frequently better served by arranging for broad protection through the medium of "difference in conditions" cover to supplement the orthodox fire insurance program rather than by absorbing the fire insurance into an "all risks" package.

Best Principles Go To The Wall

Underwriters and producers both know that the best principles go to the wall under the stress of competition. But if, then, they have to go to the wall on occasion, this does not nullify the soundness of the principle of using the domestic and London markets in double harness rather than using one to prejudice the interests of the other.

Some of the contracts discussed here have been available only for a short time, and it will be years before sufficient experience is developed to stabilize their handling. Today, they probably represent the furthest point the insurance business has reached in its progress towards "ideal protection."

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EUA Breakfast With Agency Leaders Is Success

(CONTINUED FROM PAGE 2)

The placement people say that individual, not group, presentation is the best.

H. H. McFarlin of Riverdale, Md., commented that the Maryland association has used the sales program of EUA with good effect.

William J. Graul of Allentown, Pa., said he spoke to the graduating class at Pennsylvania State university, but

found that his description of the opportunities in the fire and casualty business fell on deaf ears because the young people there had been offered a minimum of \$5,000 by life insurance companies to start in with them. He observed that the young people are not buying a career at this age but want some quick income. In this re-

spect, he feels that the fire and casualty business is years behind other businesses.

He suggested that the next step in EUA's sales course is to develop a program of educating agents and agency personnel along specific lines of coverage. This would be practical, he said, because the agent himself does not always understand the details of the new packages.

Henry A. Franz of Clifton, N. J., said that the EUA had done an excellent job in New Jersey three or four years

ago on time element coverages. He said he thought different degrees of reaction to the EUA sales course reflects the different success of the field men in presenting this kind of program.

W. Harry Wiley, executive secretary of the Connecticut association, said that the prevention committee of his group is promoting the idea of boating safety this year. This will cover the whole subject of safety in the water, the rules of the road for boats of all kinds, and swimming safety. It will be promoted by films and in other ways by local boards in connection with meetings of PTAs, luncheon clubs, etc. Aetna Casualty has some good films and pamphlets and the coast guard has some material. This is an experiment, but the association is hopeful that it will produce good results.

Craig Thorn Jr. of Hudson, N. Y., suggested that ideas of this kind be channeled back through EUA to the other states. It would prove very helpful. Field clubs are not all effective in the use of the sales program, he said. He wondered if the same team, the best one, should not provide all of the instruction in the sales course rather than using four or five different ones of uneven talent.

To Select Best Volunteer FD

The contest the New York association is now running to select the best volunteer fire department in the state, with a trip to Syracuse during the annual convention for the presentation of a trophy, is doing a lot of good. The state voluntary firemen's association is quite enthusiastic.

Morton V. V. White of Allentown, Pa. said that the insurers are alienating a lot of future customers these days, particularly automobile insured, because more and more companies are getting inspection reports on risks. As a result of experience in his area, he got the local manager of Retail Credit Co. to talk to the local board so that agents would understand the job that a credit reporting company has to do. Perhaps local boards, where they are doing cooperative advertising, could use half a page to tell the public that because of experience in the automobile field, companies are investigating insured.

He said his local board had purchased a film on the responsibility of fathers when a teenager takes out the family car and is showing it to high school classes. This is expected to offset the alienation of future customers who are now in class 2 for automobile.

Travelers Names Five As Adjusters And Examiners

Travelers Indemnity has appointed Harold J. Weldon and James F. Perry claim examiners at Hartford; Morgan W. Bright, supervising adjuster at Reading, and Earl G. Gadberry and Preston C. Beal Jr., resident adjusters at Fort Smith, Ark., and Sikeston, Mo., respectively.

Form Mariners Club In Md.

Mariners Club of Maryland has been formed by companies writing marine business in the state for discussion and exchange of information on topics of common interest to the members.

Officers elected were: John A. Brachocki, Royal-Globe, skipper; William P. Huntington, Aetna Fire, first mate; Harry A. Bodenstein, Fireman's Fund, purser; Laurence J. Donegan, North America, yeoman, and J. Rutledge Clark, Atlantic Mutual, and John F. Cooney, Marine Office of America, executive committee members.



The \$5,000 phone call

"Hello, hello—Tulsa, Oklahoma calling . . ."

All at once, one of the American International Underwriters staff in New York was talking with an Oklahoma insurance agent.

"One of my oil drilling clients," said the Oklahoman, "is starting operations in Afghanistan. I'm trying to locate a market for his insurance. Friend of mine who knows AIU suggested . . ."

"We can handle it," said the AIU man. "The information we need from you is just about the same as for domestic coverage . . ."

And that first year, the Oklahoma agent's income was increased by more than \$5,000! For AIU provided his client with policies covering workmen's compensation, contractors general liability, automobile liability, contractors equipment coverage and everything else he needed for full protection.

Notice this additional fact about that phone call. It was easy for the Oklahoma agent to arrange full coverage of Afghanistan risks for his American client. But he

didn't even have to call New York—he could have called any of the nearer offices listed below.

In addition, AIU has world-wide facilities for on-the-spot claims adjustments and other service.

American investments abroad amount to over \$22,000,000,000—with some of the insurance coverage on it almost certain to be in your own home town. You actually "competition-proof" your present accounts when you insure their overseas risks through AIU.

You'll find it good business to call the AIU office nearest to you—in New York, it's DIGBY 4-9200. Ask for Dept. E.



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MICHIGAN, KANSAS, OKLAHOMA, COLORADO,
NEW MEXICO

Indiana Supreme Court

Can't Probe In Ruins For Arson Without A Search Warrant

Indiana supreme court has ruled that deputy fire marshals must have search warrants if they hope to use evidence gathered from the rubble of a fire in a criminal trial. In a unanimous decision the court also upheld the state fire marshal act in a case appealed from circuit court. In the trial, Loran O. Buxton was acquitted of arson charges in connection with a fire in his restaurant at Blocher. He was freed on grounds the evidence was gathered without a search warrant. The evidence included a hot plate, torn newspapers, and a gunny sack soaked in oil which had been found in a hole in the floor of the restaurant.

The prosecution appealed the acquittal, on grounds the fire marshal act mentions nothing about search warrants in giving deputy marshals the right to search the ruins of fires. But the supreme court said the investigators should have sought a warrant at the moment evidence "believed to be incriminating was discovered." Judge Achor said the fact the act does not require a warrant should not be construed to mean the law is an unconstitutional violation of the sanctity of the home. It must be assumed, he said, that the lawmakers meant to keep the usual constitutional safeguards intact.

Larson Says He Borrowed \$47,000 From Insurers

Commissioner Larson of Florida has confirmed reports that he had borrowed approximately \$47,000 on property mortgages from insurance companies in the past six years and stated that one loan has been paid off and the rest are being paid on a monthly basis.

In an interview he said he saw no conflict of interest between his regulatory powers over companies and his borrowing money from some of them.

"The fact that I had borrowed money from an insurance company would not influence my decision on matters coming before me as insurance commissioner," Mr. Larson stated. He said he had borrowed \$1,200 to \$1,400 from a personal friend, Basil P. Autrey, former head of National Union Life of Birmingham, but that this was repaid and "the insurance company didn't figure in it at all."

Sterling Offices Opening New Branch At Mexico City

Sterling Offices has opened an affiliated office, Sterling Offices de Mexico S.A., in Mexico City, to serve Mexico and other Latin American countries. Supervised by Sterling Offices of Canada, whose Latin American department is under Juan de Soto, the new office is managed by Richard M. Willemsen, a nephew of Paul R. Willemsen, president of Sterling Offices of New York.

Insurance Women of Des Moines have made a gift of \$500 to Polk county chapter of National Multiple Sclerosis Society. One of the chapter's members is a victim of multiple sclerosis, and Mrs. Florence Gibson, president of the insurance women, said they wanted to honor her with this community service. Polk county chapter of the multiple sclerosis society was chartered in January and has received no other major gifts so far.



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Reports Agent's Debate On Selling All Lines

(CONTINUED FROM PAGE 2)

in the east, and Continental Casualty in the west have demonstrated the remarkable growth possibilities of such a setup. These three organizations are equally well known in both the property and life fields. They have reaped traceable and demonstrable advantages through being completely multiple line in their operations. Their growth has been both rapid and profitable by reason of being able to offer every underwriting facility and coverage "under one roof."

What is causing this movement into the life field by the property companies? What is it that attracts them? Undoubtedly one important influence has been the unusual and heavy loss

experience the property companies have sustained during the last three years. They have lost millions and millions of dollars on underwriting in that period. Their automobile experience has been particularly disastrous, although the loss ratio on even good lines of business has been unprofitable. There has been a marked increase in the frequency and severity of losses, and in claim consciousness on the part of insured. For example, inflation has increased the average bodily injury claim 82% in the last 10 years. Claim costs have increased phenomenally, due to the rising value of materials and services.

By contrast, life companies have

been having the greatest prosperity in their history. They have been writing more business, and making more money for stockholders than at any other time in the past. Property company officials feel that there are no such underwriting problems in life insurance as have been plaguing and almost overwhelming the property companies. With life insurance it is felt that the whole underwriting procedure is exceedingly simple by comparison.

Must Examine Risk Minutely

To illustrate, a fire insurance risk that is submitted must be examined minutely and in great detail. First, the construction of the risk must be considered. Is it located advantageously so far as adjoining hazards are concerned? The nature of the business being transacted is important, whether it is profitable or unprofitable, what fire protection the building has, whether the would-be insured has a so-called fire record. The moral hazard must be examined for the purpose of deciding whether in a downturn of the economy there would be a temptation to "burn out" to the insurance companies. The company being offered the business must check to see whether it has considerable other property insured in the immediate area. The "housekeeping" habits of insured are important. The amount of the line being offered is important, as are the amounts being carried on the same risk by other companies. Often an inspection of the property must be made, part of the line must be reinsured.

No Burdensome Detail Involved

In life insurance the acceptance or rejection of a risk involves no such burdensome and costly detail. First, life companies base their rates on a mortality table that has proven dependable and accurate over a long period of years. A medical examination is required, of course, and a credit report is issued. Except for very large cases no underwriting difficulties or "angles" present themselves. Life companies are well protected against the moral hazard by the suicide clause. Thus property company officials feel that the complicated underwriting paraphernalia that has to be set up—the rates, rules, forms manuals, riders, clauses—so characteristic of property insurance underwriting would not be present in handling life insurance applications. The life business is seen by them as comparatively simple and uncomplicated.

Another important attraction that the life business has for fire and cas-

ualty company executives is the earnings records that have been made by all of the representative life companies, large, medium and small. It is the practice for fire and casualty companies to have rather large common stock investment portfolios. There are several reasons for this, but one of the most obvious is the necessity for the fire and casualty companies to have their money invested in liquid securities in the event of heavy losses or conflagrations. In contrast, life companies invest in bonds, mortgages and other fixed value securities. Their common stock portfolios are negligible. Not a few life companies own no stocks of any kind. The investment income of life companies is sure, steady and tends to increase each year, almost as if by mathematical formula. The "net gain from operations" figure of the average life company is large by comparison with the volume of business done. This feature of a life company's operation is quite naturally regarded with favor by the property companies.

Is Most Common Miscalculation

Perhaps the most common miscalculation that has been made by the fire and casualty companies that have gone into the life business in recent years has been the belief that with their thousands of agents and brokers they could almost immediately get most of them into the production of life insurance for them. This has not been the case. Some of the fire and casualty companies have not recognized that for many years most of their agents and brokers who were interested in life production have had very satisfactory life insurance connections. They have been doing a life business before the recently interested property companies thought of having a life company. They resist the idea of throwing overboard their life company connections of many years standing. They are satisfied with the connections they have and cannot be persuaded to abandon them overnight.

Thus the property companies, new to life insurance, have been both surprised and disappointed that their agency organizations have not responded enthusiastically and in large numbers to their announcements of life insurance facilities. They had expected a wave of business from their property producers, and for the most part have received only a trickle.

True That Potential Is There

It is true that the potential is there, and that with the passing of time it is logical to believe that a local agent, representing a fire and casualty company which gives him good service, and with which he has been doing business over a long period of years, will gradually tend to give such a company an increasing amount of the life insurance he writes. But this is quite evidently going to be a gradual change, not one that will come quickly.

What seems not to be realized fully is that the fire and casualty company going into the life business faces some hard and intensive work before a life insurance producing agency organization can be established. The mere fact that an agent represents a company for property insurance does not mean that he is going to become a life producer for that company. It is reasonable to believe that he will, as time goes on, but he will have to be wooed and persuaded, told about the facilities and advantages, and in most cases called upon again and again before he may be fully won over to the idea of doing all of the insurance business he writes with one group of companies.

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Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

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Outstanding opportunity for man whose underwriting experience has been in Special Hazard and Commercial Risks. Knowledge of Inland Marine insurance helpful. Our employees know of this ad. Write stating age, experience and present salary, to Box Z-95, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

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Must have thorough knowledge of Compensation, Liability, and Auto lines, and Retrospective Rating. Some managerial experience. College graduate preferred. Company operates nationwide, handling all sizes of risks. Position is in Regional Office located in attractive, moderate size city in Midwest. Many fringe benefits. Salary open. Send complete experience résumé to Box Z-71, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Because of our expanding operations, we are seeking an additional experienced survey analyst. Position requires analysis of property and casualty coverages for commercial risks and preparation of insurance programs. Liberal employee benefits including profit sharing. Excellent growth opportunities. Write H. O. Claussen for interview appointment, giving age, education and experience.

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Outstanding opportunity with rapidly expanding Stock Company for a man experienced in Fire and Inland Marine Insurance. Background must include experience in Inspection, Engineering, and Underwriting. Experience in Agency relations desirable. Nationwide travel involved. Contact: Personnel Manager

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Large multiple line fire and casualty insurance company desires Field Representative with experience for the State of Virginia. Write giving resume of experience and background. Our employees know of this ad. Box Z-96, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SALES MANAGER WANTED

For established local agency. Must have fire and casualty experience and sales ability. Attractive opportunity for qualified man.

Dawson Insurance Agency
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Experienced, young, multiple line field representative with proven sales ability desires connection with progressive company. References available. Willing to transfer. Available April 1, 1958. Write Box Z-92, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

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Fine opportunity with an A-rated progressive Stock Company for a man experienced in the Administration of Fire and Inland Marine Claims. Knowledge of Casualty Insurance helpful. Write stating age, experience and present salary. Box Z-99, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WISCONSIN FIELDMAN

Experienced multiple line fieldman with strong casualty background desired to work central and southern Wisconsin territory. Established agency plan of recently purchased general agency. Will consider present underwriter desiring field work. Ages 30-45. Full company benefits and excellent opportunity for advancement. Contact: R. F. Miller, Vice Pres., Trinity Universal Ins. Co., 611 North Broadway, Milwaukee, Wisconsin.

HOME OFFICE OPPORTUNITY

Man with college background, 3 to 5 years auto or casualty underwriting or rate analysis experience (with Company, Bureau or State Department) may find interesting work with Independent Company. Duties will cover rate analysis, manual deviations and revisions. Midwest city, under 100,000 population. Excellent rating. All replies acknowledged. Write Box Z-94, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Suggests Auto Commission Cut At NAIA Meet

(CONTINUED FROM PAGE 1)

agents' meetings for a long time to come.

Mr. Hirman's five controversial points, directed primarily at automobile insurance, were: (1) recruitment of more producers, both in the agency and as competing independent agents; (2) reduction of commissions, with a reduction in agency responsibilities; (3) better merchandising, particularly on the part of insurance company top management; (4) more refined and more intelligent automobile classifications, which will help segregating experience and making each person pay his own way; (5) an adaption in the casualty business of National Board of Fire Underwriters' town rating classifications, whereby automobile insurance rates would reflect the efforts of a community in police work, automobile safety traffic engineering, etc.

Direct Writers Sell More Auto

On the question of more independent agents, Mr. Hirman said it is clear that, as of now, there are more captive agents or salesmen of direct writers than independent agents. That of itself provides a good reason why direct writers have sold more automobile insurance in recent years. It can be cured only by getting more people out soliciting automobile insurance in companies which are loyal to the American agency system.

Too many agents have consistently opposed appointment of other agents. That must stop, if agents and their companies are not to lose the battle for want of numbers. Agents should take on more sales personnel and they should encourage their companies to appoint more qualified people to represent them. He urged his audience to back the plan "every agent add an agent," thereby doubling the agency force.

Public Dislikes High Commissions

About commissions, Mr. Hirman said that automobile insurance is highly competitive and, in any business of this type, whether it be insurance or food, the public simply will not buy from a source which is loaded with too large a selling margin. This is not a matter of negotiation with companies—the public and not the supplier makes the decision.

On the other hand, there is vast room for improvement in operating cost. Too much of the present commission margin is wasted in collections and other sterile activities. Mr. Hirman said he is personally convinced that the public will pay an impersonal statement from a distant insurance company or other financial organization, where the same person will stall off a friendly agent.

Cite WC Parallels

By way of precedent, Mr. Hirman cited the workmen's compensation parallel of the early 1930s. At that time, agents and their companies appeared to be beaten—companies did not want the business, direct writers were moving in and doing well and the picture seemed hopeless. Then came experience rating, retrospective rating and graded commission rates on larger accounts. As a result, agents and their companies recaptured many lost insured.

The experience of Mr. Hirman's office was that it increased its workmen's compensation business 1,000% as a result of these modifications and he thinks the same will be true of automobile insurance if agents have

the courage to swallow similar adjustments.

Mr. Hirman concluded his talk with another radical suggestion. He said the automobile insurance business is struggling with the problems of high judgments and agitation for compulsory insurance. In his opinion, the answer is to advocate repeal of the law of liability for occupants of motor vehicles. Accident insurance for any occupant of an automobile is readily available.

Seek Ceiling On Judgments

Mr. Hirman said that modification of the law of every state to make each person riding in an automobile unable to collect from the other party in an accident—dependent solely upon accident insurance, perhaps compulsory, provided by the owner of the automobile—would arrest the present trend toward astronomical judgments and would save automobile insurance. Liability to pedestrians and the like could easily be covered at reasonable rates—the problem is to put a ceiling on present judgments.

Commissioner J. A. Navarre of Michigan, president National Assn. of Insurance Commissioners, opened the Monday afternoon session with a talk on the survival of the agency system which pleased everyone. He was introduced by Commissioner Bennett of Iowa.

Worried Agents May Be Wise

Mr. Navarre said the fact that insurance agents are questioning their position and their survival is both interesting and optimistic. The agency system has done well for over 150 years. It has served both insurance companies and the public. In Mr. Navarre's opinion, the fact that agents are worried about their future shows that they are intelligent men who perceive public trends in buying of all commodities and are smart enough to think about obstacles before it is too late.

Mr. Navarre said that, in his opinion the struggle is external, rather than internal. He does not think it is between representatives of insurance organizations offering a differing philosophy of insurance selling and compensation of producers—he thinks it is a typical battle of the 20th century market place and only the public will provide the answer. The answer, Mr. Navarre said, depends entirely upon whether agents are willing to accept changes—changes which are inevitable to any form of merchandising—and adapt themselves to a modern system of doing business.

Public Determines Acceptance

The only specific criticism which Mr. Navarre offered was the occasional opposition of entrenched insurance interests to new coverages. He hinted at opposition to homeowners policies, but, by way of analogy, he talked mainly about opposition of established life insurance people to family life policies—which has been completely beaten by public acceptance of these new contracts.

H. F. Perlet, New York, general manager Multi-Peril Insurance Conference, concluded the Monday session with a talk on developments in package policies. He said he regretted he could not break a good story about new residence forms, particularly the long-awaited consolidation of homeowners and comprehensive dwelling policies.

The major consolidation he said, is

still in the works and has obviously required much compromise and reconciliation of sharply conflicting viewpoints, but he and his organization still hope and believe that the June 30 target date will be met. After reviewing the history of the two organizations in the multiple line field and the consolidation of last year, Mr. Perlet said that experience under the dwelling package policies has been very satisfactory.

In 1956, there was written about \$35 million under homeowners A, \$64 million under homeowners B and about \$50 million under homeowners C, with an over-all loss ratio of only a little more than 50%. Comprehensive dwelling policy premiums totaled about \$51 million, with a loss ratio of approximately 45%.

Package Loss Pattern Changing

Mr. Perlet said that the loss pattern of package policies is changing, as might be expected with any form of insurance contract which takes in many previously uninsured perils. As of last year, windstorm accounted for the largest number of reported losses, but fire losses, though second in number, were first in dollar volume. Theft losses were in third place, both as to number and as to volume, with water damage fourth and liability fifth. In his opinion, backed up by experienced adjusters and attorneys, liability and miscellaneous peril losses will probably increase in number and money as time goes on.

M. V. V. White, Allentown, Pa., NAIA executive committee member, made an outstanding hit with his talk at the opening session Monday morning. He blamed much of the current trouble and unrest in the insurance business on its bigness and consequent loss of personal contact with insurance company presidents and other decision-making officials, but he was highly optimistic and several times predicted that this period will soon be known as the "late unpleasantness." He used the analogy of

running electric current through a rural power line, illustrating a number of his points with the statement that there is not enough power to make a lamp glow brightly.

As Mr. White sees the picture, the whole insurance business is paying the price of bigness. No president of a reasonably large company knows most of his field men, where once intimate personal acquaintance with the men responsible for the agency plant was taken for granted. Today the company representative who attends a rating or other organization meeting has no authority to commit his company and it may be two weeks before the president has time to read his report of the meeting and his recommendations.

The men who make rates do not make forms and have no contact with the responsible people on forms committees. Field men are out of the rating picture and have lost their old camaraderie with agents and with each other. Mr. White said he does not agree with people who think the insurance business is beset with fear, but he feels most strongly that insurance men must stop sniping at each other, get together, discuss their problems, comprehend each other's viewpoint and unite in telling the story of insurance to supervising officials, elected administrative and legislative officials of the states and of the U. S., the press and the public.

Cites Rate Making Blunders

He cited many examples of conspicuous failures and blundering along these lines, including the present New York automobile rate row, which he said should never have happened and would not have happened if insurance men of all affiliations had gotten together and talked to each other first. On the constructive side, Mr. White praised the insurance information offices in Lansing, Mich. and in several other states and said that there soon will be one in Harrisburg. He asked each member of his audience to work for a similar enterprise in his home state.

The traditional rural and small lines agents breakfast was held Tuesday morning, with Alex Case, Marion, Kan., chairman of the conference's farm sub-committee, in charge. Dean Matthews, Ashland, Kan., talked on farm surveys, and K. S. Ogilvie, Chicago, manager Farm Underwriters Assn., discussed the new farm forms and the future of farm insurance.

Western Underwriters Assn. held its customary reception and dinner Sunday evening.

Prior to the business meeting Dr. Kenneth McFarland, educational consultant General Motors, gave an inspirational talk on salesmanship.

Hawkeye-Security was host at a cocktail party preceding the dinner. There was a slightly different approach from the usual local company entertainment. Since, the Hawkeye-Security home office is across the street from Fort Des Moines hotel, the party was held there and the conventioners seemed to enjoy the novelty.

Kansas City F.&M. Names

R. E. Petrie In Pa. Field

Kansas City F.&M. has appointed Robert E. Petrie state agent for western Pennsylvania, replacing William L. Blair, who has entered the local agency business in Pittsburgh, Kan. For 20 years Mr. Petrie supervised the field for Logue Brothers & Co., managing general agents in Pittsburgh.

Stocks

By H. W. Cornelius, Bacon, Whipple & Co.,
135 S. LaSalle St., Chicago, April 1, 1958

	Bid	Asked
Aetna Casualty	136 1/2	140
Aetna Fire	60 1/2	62
Aetna Life	186	191
Agricultural	25 1/2	27
American Equitable	32 1/2	33 1/2
American (N. J.)	25	25 1/2
American Motorists	10 1/2	11 1/2
American Surety	15 1/2	16 1/2
Boston	31 1/2	32 1/2
Camden Fire	29 1/2	30 1/2
Continental Casualty	79 1/2	80 1/2
Crum & Forster com.	54	55 1/2
Federal	39	41
Fireman's Fund	51 1/2	52 1/2
General Reinsurance	52 1/2	53 1/2
Glens Falls	28	29
Globe & Republic	15 1/2	16 1/2
Great American Fire	31 1/2	32 1/2
Hartford Fire	161	164
Hanover Fire	36 1/2	37 1/2
Home (N. Y.)	39	40
Ins. Co. of No. America	102	104
Maryland Casualty	35 1/2	36 1/2
Mass. Bonding	31 1/2	32 1/2
National Fire	81	84
National Union	36 1/2	36 3/4
New Amsterdam Cas.	43 1/2	44 1/2
New Hampshire	40	42
North River	34	35 1/2
Ohio Casualty	21	22 1/2
Phoenix Conn.	61	63
Prov. Wash.	16 1/2	17 1/2
Reinsurance Corp. of N. Y.	13 1/2	15
Reliance	38 1/2	39 1/2
St. Paul F. & M.	45	46 1/2
Springfield F. & M.	44	45 1/2
Standard Accident	44	46
Travelers	77	78 1/2
U.S.F.&G.	61	63
U. S. Fire	23 1/2	25

Gives Fire, Casualty Views On Life Affiliates

(CONTINUED FROM PAGE 2)

greatest dollar return from each client or account. . . . In normal cases, as an agent grows older, quite often life production declines. General lines show less attrition and often increase. Furthermore, as production increases in general lines the rate of commission increases. Life commissions show a

tendency to decrease, what with specials, term, family income, etc.

Harold W. Baird, Northwestern Mutual Life, New York City, made it clear that while he prefers to specialize in life insurance to the exclusion of any other kind of coverage, he believes that both the specializa-

tion and the multiple-line systems will continue to expand, though at the same time the "marginal" operators on both sides of the fence will be shaken out. Following is an abridged version of Mr. Baird's views:

To me there is no similarity between the appraisal and insurance of buildings against fire and the appraisal of human earning capacity and the indemnification of a family for its loss through income settlements for the widow and children . . . It seems

to me that the amount of background knowledge required in life insurance alone—even a basic knowledge of wills, trusts, estates, taxes, social security, veterans' benefits, pensions group coverages—is so vast that the agent or broker would have little time left to study and keep up with the latest developments in automobile insurance, assigned risks, comprehensive homeowners' policies, bail bonds, and whatever else is involved in the insurance business.

I have neither the time nor inclination to be involved in numerous petty claims—as must necessarily result from a general insurance operation.

Philosophies Are Different

Moreover, the fundamental philosophy of general insurance and of life insurance are entirely different. (Indemnity vs indemnity-plus-saving.) I wonder if the multiple-line salesman's philosophy of protection against loss doesn't lend itself to the recommendation of term insurance. Furthermore, if he has a client with a large line of general insurance I wonder if he might not be inclined to take the line of least resistance and sell the client what he wants to buy—or what he thinks he wants to buy—when the client may not have the background to evaluate the factors other than immediate "price."

My opinions are fortified by a survey which indicated that of the four companies operating in the state of New York with the highest percentage of term and group sales, two are multiple-line and the other two are companies active in the brokerage field. At the other end of the scale, the three companies with the smallest percentage of term were all companies, including my own, which operate primarily through career life agents.

Advocates Multiple Approach

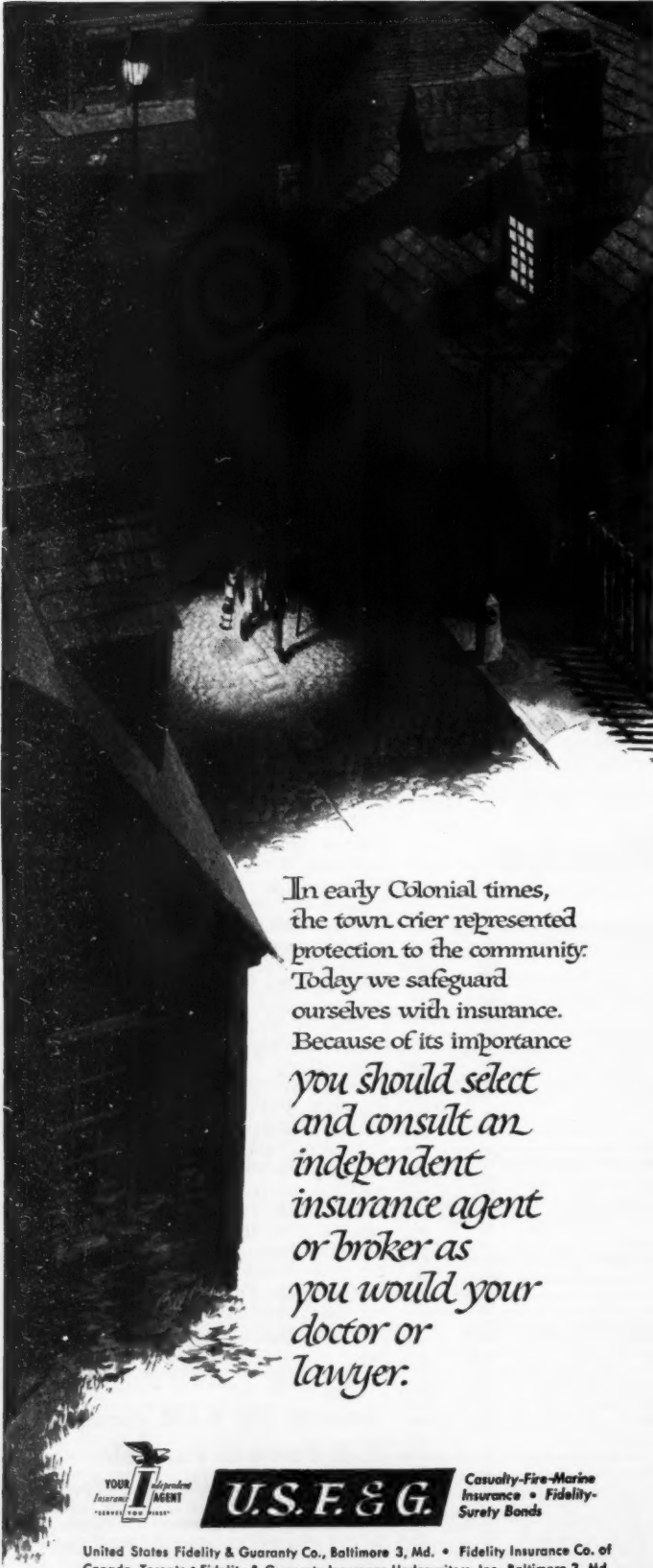
G. William Blair, who sells multiple line insurance in Birmingham, believes that most insurance buyers are more and more looking to one source for all their insurance requirements and counsel and that "as a practical matter, the insurance-buying public has never really differentiated between us, anyway." Here is a condensed version of his remarks:

Sales of general lines of insurance to individuals need to be made more financially attractive to the producer if the buyer is to get competent, informed insurance service. The best way to accomplish this is to have one man handle all of the individual insurance needs. The life commission arrangement justifies the original solicitation and, since property insurance is written on a level commission basis, the incentive to continue to render service is there. And this continued service would undoubtedly lead to more life insurance at a later date.

Will Get Better Advice

From the insurance purchaser's interest, it follows that he will get better advice from the man who handles his entire account and has the most to lose if his advice is wrong.

This sounds like a plea for the large chain agency and since I am not connected with an organization of that type it certainly isn't intended as that. However, as the field of medicine has increased its knowledge it has more and more required specialists. The same has been true in the professions of law, engineering and accounting. And as the problems of risk transmission become more intricate we are forced into more specialization and the most natural development from that point is the banding together of experts. And most insurance purchasers are more and more looking to one



In early Colonial times, the town crier represented protection to the community. Today we safeguard ourselves with insurance. Because of its importance *you should select and consult an independent insurance agent or broker as you would your doctor or lawyer.*



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source for all their insurance require-
ments and counsel.

William M. Vaughan, local agent of
Memphis, believes "there is a definite
tendency toward mediocrity in both
when one agent attempts to sell and
advise about matters as important and
yet as different as life and general in-
surance." Here is an abridged version
of his statement in support of his
views:

I think an insured of our office
points up the need for a full-time
general insurance man to service his
account. This man is a contractor and
recently took out plans on a good
sized construction job. In looking over
the plans it developed that there was
a need for protection against collapse
of a building as well as a railroad
protective agreement. I called these to
his attention, as he had not noticed
them, and quoted rates to protect him
against both. Suppose, however, time
had not permitted pointing out the
need for additional protection and a
\$10,000 claim was submitted with no
insurance. I can assure you I would
not be very popular with my ex-
insured and certainly would not have
performed the services expected of
me.

Suggests Survey

Now, let's suppose that because this
man has confidence in me and we are
friends, I call on him about life in-
surance and take an order for a
\$100,000 policy. Trying to be a good
agent, I suggest that all of his life
insurance should be surveyed and co-
ordinated. This I try to do, but be-
cause I spent so much time under-
standing and servicing his general in-
surance problems I failed to read about
a recent change in one of the tax
laws. This failure results in his wife
paying \$10,000 more in taxes than
would have been necessary if I had
known about the tax change.

In a recent discussion on this sub-
ject with a general insurance friend
I asked this question: "Do you feel
that you are as well qualified to ad-
vise on life insurance and all its ram-

ifications as a full-time life under-
writer?" His answer at least was
truthful: "Well, no, I guess not, but
they needed life insurance and the
commission wasn't bad." This answer
of "Well, no, I guess not" can be
pretty expensive if it results in the
beneficiaries not having the protec-
tion that they thought they had and
should have had. The problems to be
considered in arranging and handling
of general insurance as compared with
life insurance are different and each
requires a specialist and each deserves
the full attention and training of an
agent.

Aetna Casualty Appoints Key Personnel For Tampa

Aetna Casualty has named N.S.B.
Alexander superintendent of the
agency department at the new Tampa
office. Artie H. Small has been appoint-
ed superintendent of the bond depart-
ment.

Other appointments are: Stephen R.
Drain, superintendent of underwriting;
Stephen F. Dean, superintendent, com-
pensation, liability, miscellaneous and
A&S lines; Donald K. Weigle Jr., su-
perintendent, automobile lines; George
K. Weaver, cashier; John T. Phillips,
superintendent of the claim depart-
ment; J. A. Wishart Jr., supervisor of
the safety engineering department,
and Charles Bradley, supervisor pay-
roll audit department. J. R. Skipper
continues as supervisor of safety
engineering in the Miami area. Field
representatives are B. W. Walters and
Charles F. J. Bultman.

Cal. Agents Assns. Elect

Three local associations of California
Assn. of Insurance Agents have elected
officers. They are Monterey—John J.
Mahoney Jr., president; G. G. Leffler,
secretary-treasurer; San Carlos-Bel-
mont—James E. Sossaman, president;
Roland Lampert, vice-president; and
San Pantano, secretary-treasurer; South
San Francisco—Halbert Harvard, pre-
sident; Ernest Bonalanza, vice-presi-
dent; and D. R. Volonte, secretary-
treasurer.

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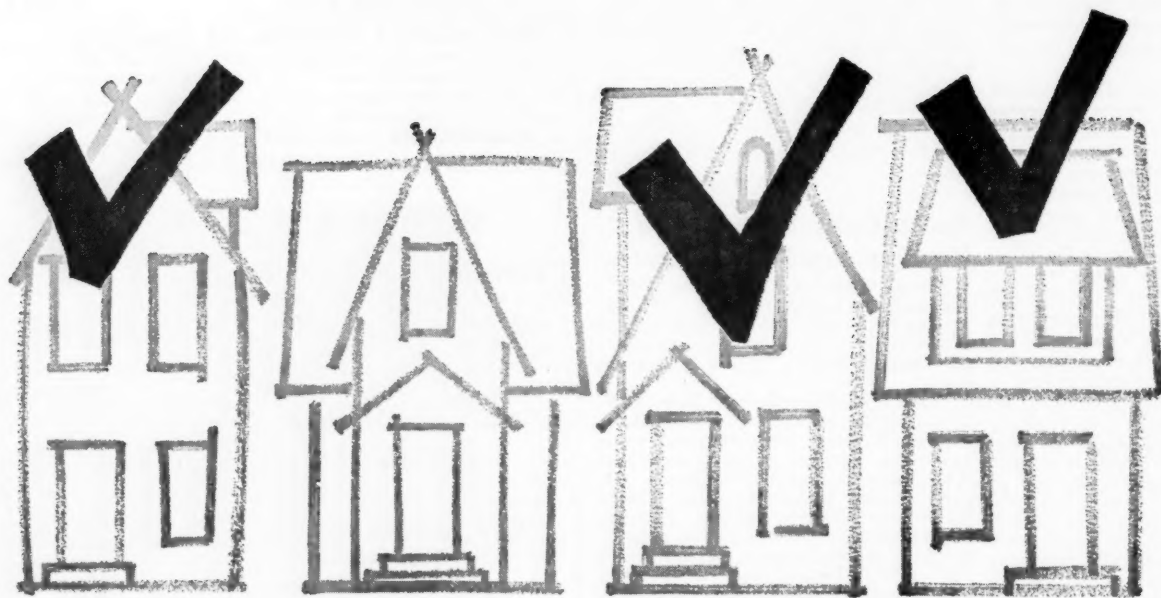
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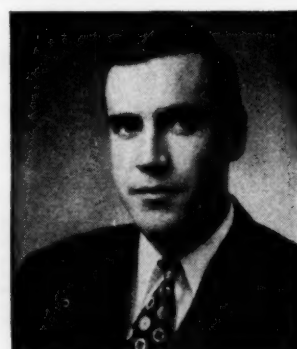
Ask the Aetna fieldman for suggestions and literature on how to take full advantage of the profit possibilities in Homeowners policies.



Meet Willard M. Wight,
Special Agent, Millburn, N. J.
Bill and the agents with whom he works have been top producers of Homeowners policies, and their records are good examples of what can be done. He is a graduate of Colgate University and the U. S. Navy, is a member of the New Jersey Insurance Fieldman's Association, and has served on the Board of Governors of Underwriters Club of Philadelphia. His hobbies include sailing, fishing, golf and designing sets for his local dramatic club.

Meet Nelson Campbell,
State Agent, Tampa, Florida

A native of Virginia and an alumnus of the U. Va., Nelson joined the Aetna in 1940 and was promoted to his present position in 1953. He is a past president of the Florida Field Conference, has served as Chairman of the Fire Prevention and Town Inspection Committee and is presently a member of the Florida Advisory Committee. Recently he participated in the Traveling School sponsored by the Florida Assn. of Insurance Agents.



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